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CENTRAL EURASIA



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FBIS Report: Central Eurasia

FBIS-USR-94-119

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Eurasian Problem Seen as 1996 Election Issue

954F02194 Moscow NEZAVISIMAYA GAZETA
in Russian 26 Oct 94 p 2

[Article by Vladimir Mironov, director of the Institute of Politics: "Eurasianism: Temptation or Chance? Return to it is Almost Inevitable"]

[FBIS Translated Text] A structural analysis of world history leads to the inevitable conclusion: By the end of the 20th Century, large stable groups of mankind—civilization—have become formulated. Among them, for example, are the Atlantic (which includes Western Europe and North America), the Iberian-Latin American, Islamic, Asia-Pacific, and the African... Undoubtedly, the Eurasian civilization as a cultural and historical community of peoples who inhabit huge expanses from the Carpathians to Kamchatka and from Pamir to the Arctic, is also such an independent body of mankind. This community has its own inherent and original spiritual mentality which distinguishes it from other types of solutions of the problem of man-society. In this sense, the USSR was not only an empire, but also a specific continent of civilization, where for centuries a unique and original part of the all-human truth about this world came to maturity.

The disintegration of the USSR as a state formation give rise to a deep crisis in Eurasian civilization. This crisis took on such acute forms because, unlike other civilizations, Eurasia represents a specific ethno-confessional balance which unites Slavs and Turks into a single blend. While all other civilizations rest on a single ethnos or religion, Eurasia is a unique method of coexistence of Christians, Muslims and Buddhists on the same soil.

The desperate attempt of Russia to reach out through the narrowly cut window to Europe, which dooms it to third-rate attention and loneliness, the drift of Ukraine in the direction of the German region, the tendencies toward integration of Central Asia into the new Great Turan—all this is evidence of the crisis of the very essence of Eurasia—its Russian nucleus.

At the same time, historical experience shows that with the disintegration of the nucleus of civilization, terrible geopolitical chain reactions occur, which radically change the face of this portion of humanity. This historical "thermonuclear explosion" at some stage turns into a merciless and uncontrollable historical disaster. And its consequences are already being seen on the periphery of the Eurasian civilization—Yugoslavia, Tajikistan, the Northern Caucasus, and the Transcaucasus... The law of history is such: When a civilization crumbles, other civilizations strive to absorb the pieces which have broken off from it.

Today Eurasia is rapidly approaching that critical mass of disintegration at which there is an uncontrollable destruction of civilization. Can it be prevented?

The state-bureaucratic nomenklatura has purposefully worked toward destruction of Eurasia in that form in

which it had been formulated by civilization over recent centuries. Incapable of holding onto power in the crisis-stricken USSR (not to mention the inability to modernize it), it [the nomenklatura] consciously and with full justification believed that to implement the limit of ownership and power is much easier not in an integral state, but in one which is divided up into many pieces—protostates.

The most consistent opponent of the Eurasian idea is the ruling class of Russia. Its stake is clear: Only by having cast off the ballast of its outlying regions will Russia get the ticket for entry into Western civilization. (However, this means that Russia will have to change its path as a specific civilization). As long as the forces which made Yeltsin President of Russia are in power, any movement toward a Eurasian union is more than doubtful. (We will note, by the way, that the high-level representatives of the administration, specifically Sergey Shakhrai, were "brilliantly" absent at the conference in Alma-Ata, where the prospects of the EAS [Eurasian union] were discussed.

However, the interests of the state-bureaucratic nomenklatura will sooner or later enter into conflict with the interests of the newly emerging strata of entrepreneurs. The Russian neo-bourgeoisie is for the present time still occupied with the preliminary accumulation of capital, and has not yet been able to entirely assimilate and capitalize Russia. But after it does this, it will find that even the huge Russia is too small for it. And then, having been rebuffed on the developed markets, it will turn toward the traditional Eurasian expanses. Then it will force the authorities to remove all the freshly-posted obstacles in the path of free movement of goods, capital and people. It will create a common Eurasian market. It will create it from the bottom up and in union with the national neo-bourgeoisies which, in turn, will see in this union an instrument for protection also against their own nomenklatura, as well as against its hired workers. Thus, the deep-seated processes of civilization rather regularly find themselves in the center of the most acute social and political collisions.

Undoubtedly, the Eurasian problem will become one of the main topics of the electoral campaign of 1996. Neither the leader of the communists, Gennadiy Zyuganov, nor the former USSR Premier Nikolay Ryzhkov, who spoke out, although with some stipulations, in favor of a neo-Soviet restoration of the "big state," make any secret of this fact. The statements of those who are more moderate—Deputies of the Federal Assembly Nikolay Gonchar and Konstantin Zatulin—testify to the fact that the centrists will also play the "Eurasian card," although in a more moderated, CIS-like variant.

The huge political resource of the Eurasian idea is associated with the fact that it makes it possible to move the political struggle from the Russian level, where pro-Yeltsin forces hold the upper hand, to the entire post-Soviet space, where the position of Boris Yeltsin is

much weaker. At one time, Yeltsin himself was able to shift the political opposition from the union level to the republic-Russian level, and thereby to knock the real political support out from under Mikhail Gorbachev. The opposition today is faced with a directly opposite

task. And the future lies with that part of it which will be able to realize the potential political "Eurasianism" of the Eurasians, not in a great-power chauvenist form, not by the big-hammer approach, but nonviolently and with consideration for the interests of other states.

POLITICAL AFFAIRS

OBSHCAYA GAZETA Interviews Rybkin on Current Political Views

954F0097A Moscow OBSHCAYA GAZETA
in Russian No 41, 14 Oct 94 p 5

[Interviews with State Duma Chairman Ivan Rybkin by PAIS correspondent Pilar Bonnet, Public Opinion Foundation analytical center director Igor Klyamkin, and NTV Television Company general director Igor Malashenko; place and date of interview not given: "Comrade Compromise: Predictions for 1995-1996"]

[FBIS Translated Text] Some time ago I wanted to write a play about how New Years 1917 was celebrated in a well-off St. Petersburg family. Wishes for health, love, success. Gifts and surprises beneath the tree. The table groaning beneath the weight of the victuals. But the long night of celebration gets interrupted evermore frequently: We learn what the dancing couples will have to endure in the next 12 months. We learn, but they don't: They don't even have an inkling.

I must admit that I often recall this story line in our unpredictable times. These days, it is sometimes impossible to look ahead not just a year, but even a day. Last week Boris Yeltsin decided to part with the head of the Ministry of Finance and the chairman of the Central Bank. This means that although many were predicting it, the ruble's fall was a surprise to the president: Had he known otherwise, he might have dismissed them from their jobs before, and not after.

Nonetheless, OBSHCAYA GAZETA is initiating the cycle "We and the Next Two Years." It consists of several interview articles in which an attempt is made to talk about what awaits us in 1995 and 1996. The circle of respondents has been determined. And the team of interviewers has been selected. They include correspondent Pilar Bonnet of the Spanish newspaper PAIS, who has been working in Moscow for a decade and a half already, and the author of the book "Impossible Russia," Professor Igor Klyamkin, director of the analytical center of the Public Opinion Foundation. And finally, Igor Malashenko, the general director of the NTV Television Company and a highly popular figure in our days. They in turn will share their predictions of what awaits their partners in conversation as well.

As time goes on, we will periodically return to these predictions, letting life show us who was right. The future is not within the power of any particular politician. But the ability to peer into it, to act consciously, rather than floating at the will of the waves, is a gift that must be assessed on its merits by society.—Yegor Yakovlev

A Refresher on the Past

[Bonnet] You have never said in any of your interviews when and how you ceased being a member of the CPSU, and what you did with your party card. Can you tell us now?

[Rybkin] When did I cease being a member of the CPSU? Well, at the same time as the absolute majority of communists—23 August 1991. It was at the end of August—both Boris Nikolayevich and Gennadiy Eduardovich (Burbulis.—**Editor**)—that a discussion was held in a certain meeting conducted by the chairman of the Supreme Soviet, during which we met with the president. He said that it would be desirable to conduct a special party congress in order to make plans for the reform-minded wing to seize the key positions. It was presumed in this case that the party as a whole might split into four or five new ones. Everyone sighed then: Imagine what sort of tiny party this would be—just 1.5-2 million.... If we only had a party with a social-democratic orientation numbering at least 1.5 million now! At that time Boris Nikolayevich instructed Gennadiy Eduardovich to take on this task. During the discussion, Burbulis's main argument was this: "Where are your guarantees that the reform-minded wing will have a majority at this congress?" To which I answered with the traditional joke, that even an insurance policy cannot be a 100-percent guarantee. After all, development of a party, and all politics, involve risk.

As far as my party card is concerned, it's safe in a desk drawer in my office at home.

[Bonnet] Were you against the party's dissolution after the August events?

[Rybkin] That's not entirely accurate. The fact is that after the unsuccessful attempts to create a social-democratic orientation in the CPSU, I and those who thought as I did took on the job of establishing the Socialist Labor Party. Back then, in September-December 1991, its program and charter reflected my convictions to the greatest degree. We conducted a constituent conference, and then a congress. It was after this that the application to the Constitutional Court followed. The purpose of the application was to reverse any indictments against so-called innocent communists—they had to feel themselves to be normal, full-valued people.

[Klyamkin] A certain period of our development has come to an end. The end of voucher privatization, or perhaps something else, could be taken as its end point. However, one way or another it is associated with Yeltsin. How do you evaluate this period? Was there anything in it that was productive? And I would also like to know how you evaluate your role in different stages of this period.

[Rybkin] We need to go back to December 1991. Speaking at the end of the month at the Second Congress of the Socialist Labor Party, I said that I felt full sympathy toward the team of young reformers who had joined the government. But at the same time I felt certain that our super-monopolized economy could not be placed under our control by a single cavalry charge. Patient dismantling was required. Consequently several months of patience would be required.

I feel that on the whole, this was a positive stage, because denationalization had begun. The share of the state sector diminished considerably, and a significant part of what remained was not entirely state-run. It must be said that what remains under state ownership is not being managed very wisely. Generally speaking, as far as my general views go, I feel that democracy means choice. And in the economy as well. For example, there should be not two variants in the models of privatization, and all the more so not just one, but one hundred and one! So that people could make their choice in keeping with their possibilities, temperament, differences in views, and so on.

[Klyamkin] Considering your present position, could you please explain how it fits with the position you had occupied in September-October of last year?

[Rybkin] It is impossible for me to discuss this subject evasively or untruthfully. You see, hundreds and thousands of people witnessed my actions. One thing I can say for certain—this was one of the most powerful events influencing me and my views.

In August 1993 I wrote a letter to Boris Nikolayevich, to whom all of the faction's leaders had attached themselves, asking him to meet and to discuss the situation because important decisions had to be made. And in the same vein, I insisted and pleaded with Sergey Aleksandrovich Filatov that he not leave the Supreme Soviet. I was very persistent, and I was even beyond myself. Because I knew that you can't fly with one wing—that would spell disaster. I spoke at the Supreme Soviet Presidium after my return from Volgograd, after all of the decisions had already been made: The new president and the most influential ministers had been appointed. What I said was this, word for word: Rather than shouting, and brandishing our weapons, we needed to seek a peaceful, honorable, civilized solution to this situation. After this, Khasbulatov stood up and stormed out, and the attack on me began in earnest. The second instance was a meeting of the Republic's Soviet (I persuaded Veniamin Sokolov to convene it), at which I said that we needed to return immediately to the negotiating room in Svyato-Danilova Monastery, from which Sokolov had been expelled.

We supported the position taken by Sokolov and Abdulatipov, and the document they had signed together with representatives of executive government. During this meeting I had to repeat again and again that in no case should there be a single extra weapon in the Supreme Soviet—only the weapons authorized for security. I said that our main and sole weapon was the word, that we needed to work with the president to find a peaceful solution. In the presence of deputies Kirpichnikov and Dobzhinskiy I urged both Khasbulatov and Rutskoy to retire immediately.

[Klyamkin] Weren't you in favor of concurrent elections then?

[Rybkin] Yes.

[Klyamkin] But Yeltsin had suggested this idea back before the referendum, and all that got him was calls for his impeachment.

[Rybkin] I must be frank on this matter as well. Back then, I still held the hope that the opposing sides could be reconciled. As far as impeachment is concerned, now that a certain amount of time has passed, I feel I made a mistake in demanding the president's retirement.

The Countenance of a Partner in Conversation

[Bonnet] It seemed to me that when the Constitutional Court was meeting to deliberate the fate of the party, you held to the positions of left-wing social-democracy, but today you lean toward right-wing social-democracy. Is this the case?

[Rybkin] Not entirely. Both before and now, my views have been based on rather simple principles. First, on a diversity of forms of ownership, on a diversity of forms of business. Without imposing someone's will, under the conditions of free competition, every form of ownership must acquire its own niche. This does not exclude the notion that in this stage the state must cultivate private ownership, which was recently nonexistent, and in its different forms at that.

Second, we must form a multiparty system. I'm sure you are aware of the complex process all parties are currently undergoing, without exception. It is clearly evident that they are in a new stage of major disintegration, going as far as internal explosions. And third, I had always spoken of the need for strong social protections for the helpless under the conditions of a market economy—for the sick, the aged, the poor. But such social protection must be targeted upon specific individuals. We must not transform Russia into a welfare state. This would be impermissible, this would corrupt the system. I feel a closeness to what was done in Sweden, Austria, and even in Germany, when social-democrats were in power there.

[Klyamkin] Now that you're talking about your ideological and political positions, particularly your social-democratic leanings, there are a few things I would like to clarify. It is known, after all, that social democracy came into being in Europe after both the property owner and hired labor were already in existence. That is, it made its appearance as a reaction by hired labor to private ownership already in existence. What sort of social democracy can there be under our conditions, in which denationalization has not yet been carried out?

[Rybkin] For decades our way of life accustomed us to social hypocrisy. People saw one thing, but they referred to it by entirely different names, euphemisms were thought up for everything, even forms of ownership. In all the rest of the world, everything that is not under state control is said to be private—under joint-stock, collective, private and other forms of ownership. If we follow this line of reasoning, then property owners already exist

in our country. The dimensions of this ownership are another matter. Each of us is a property owner, with rare exceptions. Very many of us have land parcels and real estate owing to ongoing privatization. We already have not only small but also mid-sized property owners, and there are owners of large proportions. We are always dreaming about "middle class" parties, and we feel that once they make their appearance, Russia will have political and economic stability. We are amazed to discover today, first at the level of our sensations, and then at the level of firm statistics, that 40 percent of the economy is "in the shadows"—that is, it's an informal economy. In it, turnover of the ruble is very large, and as a rule this 40 percent is represented by nonstate structures, by private structures. This is an extremely significant sector. If we were to consider what the statistics show together with what we can't measure, we would find that the private sector is responsible for a good half of the national product today. You might ask me if I'm urging you to recognize a criminal economy. Hardly. We separate the criminal sector out, and we must deal with it the same as everywhere else in the world, using the appropriate laws. But as for the informal sector, it needs to be led out into the light of day. As for example the great Roosevelt did during the Great Depression in the USA. We are presently engaging in serious discussion with the hope of legalizing this in many ways worthy phenomenon through our laws. All of this gives birth to the very base of the party we're discussing. Many ask us, what sort of party is this, the Agrarians? Is it a conservative party? I can agree with that in part: It conserves some relations, though of course much emanates simply from our Russian mentality. But essentially all members of the Agrarian Party are property owners, and some of them are no longer even middle property owners. And all of the things we discussed in the beginning are written into its program. And now, it must be written into the new program, currently being drafted, that this is a "party of social peace, social partnership, social democracy."

I tell my colleagues that the state is deviating from its role as patron to the countryside. But concurrently the state is doing nothing to create a market infrastructure. While remaining at the same time the largest monopolist. For example, as far as grain is concerned, Roskhlébproudukt took everything into its hands and is holding onto it, letting no one into the "inner sanctum." After we create a market infrastructure and shatter the monopolism, we will obtain a sufficiently strong middle stratum, which will then become the base of the agrarian-democratic movement, or even the party. The social-democratic electorate is gradually being nurtured as the reforms progress in Russia.

[Malashenko] You often use the concepts of rational and irrational. And what you are saying is very rational. But politics are often a sphere beyond the bounds of the rational. When Bush conducted his election campaign, his favorite word was "moderation." I think that you came to like this word as well. But the problem is that

Bush was nominated for the post of president when the country was very tranquil and leading a happy life. On the other hand Russia is presently a place that is exceptionally lacking and irrational. Doesn't it seem to you that your qualities, which would be meritorious in another place and in another time, might transform in today's Russia into shortcomings?

[Rybkin] Having worked and lived a long time on this land, among people, I have come to understand that reason ultimately prevails in the character of our people. Every tiny hamlet has always had its sage, to whom people would travel from afar for advice, and, as they say now, his "extrasensory perception," which he was capable of exercising. And of course every hamlet had its idiot as well. But in the final analysis the community lived on the basis of rational grounds. Of course, the large cities, which work like pumps, sometimes deprive people of their rational grounds, and they brought into being a kind of herd mentality due to the social anonymity accompanying the process of urbanization.

[Klyamkin] As far as I can see, not one of the real social-democratic groupings has an economic program. Instead, there's a collection of programs—for example Yavlinskiy's, Glazyev's and so on. Do you identify with any one of them? And how do you feel about the privatization concepts proposed by Luzhkov and Chubays?

[Rybkin] As for the first question, I would answer with the well-known words spoken by Agafya Tikhonovna from Gogol's "Marriage": "If only he had Ivan Ivanich's nose and Ivan Yegorych's ears...." Unfortunately this is precisely the situation we see today. Why am I so insistent on the government presenting at least a medium-range program for economic development in 1995-1997 together with the draft budget?

Because I am convinced that in many ways this program will assume—spontaneously, naturally—a social-democratic orientation. Anything else is impossible today in Russia. A sharp tilt to the right was necessary in order to bring forth the main idea—declaring the necessity of denationalization, of privatization. But now we need to go over to evolutionary transformations, though this does not at all mean that we need to slow everything down, and put on the brakes.

As far as privatization is concerned, I of course favor what Yuriy Mikhaylovich proposes. I basically feel that the sale of such an enormous amount of property must bring a large amount of capital to the given region, to the given territory. But there are also many important things spelled out in Chubays's program. I would say this: From the standpoint of a general theoretical approach, Anatoliy Borisovich Chubays is closer to the truth, while when it comes to the nuts and bolts of life, to a knowledge of human psychology, of how all of this will be perceived by the people, without any doubt Yuriy Mikhaylovich is stronger.

What Next?

[Malashenko] Let me ask a practical question: Who of the presidential candidates for the 1996 elections has the best chances? I know that this is an uncomfortable question for any major Russian politician. To make it easier, let's imagine that for some reason President Yeltsin doesn't run. Who in his hypothetical absence would have the best chances? And what is to be with Russian wisdom, recalling the Zhirinovskiy phenomenon?

[Rybkin] There are certain constants in the character of the Russian people—for example wisdom, diligence, conscience. But there's also a wild card that is responsible for the existence of variants. Consequently I wouldn't venture any predictions today. The sole thing I'm firmly certain of is that Vladimir Volfovich Zhirinovskiy will never enjoy success in Russia again.

[Malashenko] Today you, Ivan Petrovich, and Vladimir Filippovich Shumeyko, and many other politicians that are in, let us say, the top ten, are very dependent upon President Yeltsin in some sense. In the sense that he determined the rules of the game; he imposed them upon reaching his own goals. These rules were accepted. But mildly speaking this creates inconveniences for all of you, because even in the opinion of the elite, you are perceived as people playing by rules imposed by Yeltsin. And correspondingly, doubt arises as to what role you will play in the post-Yeltsin era. What future do you see for yourself in that era, which will begin sooner or later?

[Rybkin] I would agree with you in part, that Boris Nikolayevich proposed certain rules of the game, and a particular procedure for electing the State Duma and the Council of the Federation, and as a result of this the basic makeup of political figures was somehow defined. But after that, it was all decided by the people. And it was the people who confirmed the Constitution. And all subsequent discussions have been proceeding within the framework of the adopted Constitution. This is very important.

It is another matter that the personality of the leader has always played an enormous role in our history, whatever he was called—a prince, a czar, a general secretary, or a president. This is something that is transmitted by genetic code. In this sense the president has an advantage. And thank God, it is perhaps because of this that there is stability in Russia. And because of the great patience of the people. Perhaps these factors are even interchangeable.

[Malashenko] Ivan Petrovich, doesn't this stability recall to you the "deja vu" phenomenon, the sensation that you had already seen all of this before? It sometimes seems to me that I saw something of this sort somewhere back in the early 1980s, and I can't say that I was very happy then with what I saw. Don't you have the feeling that this stability is already "spilling over the banks," or that this is a false sensation?

[Rybkin] Of course I can't be pleased with the current situation. Perhaps of all who are unhappy, I'm the unhappiest, including with the work of the State Duma. But each of us must understand that success can be reached only through consolidated labor. To "stabilize" must not mean to "mothball." If we stop, we will repeat the worst variant of one of the stages of our development. This cannot be permitted. On the contrary many things need to be set in order. We need to create a worthy legal field. And I mean a field, because our law is presently full of blank spots. What is coming into being today is essentially an economic constitution. That is, rules of the game which neither a president nor a deputy chairman of government, nor the chairman of the State Duma, nor the chairman of the Council of the Federation will be able to influence any longer. I would very much want us to understand in the final analysis that the influence of a single person must be weakened. This is the unknown quantity which we seek.

[Malashenko] Each of us sets certain goals for himself. What do you wish to achieve in 2 years, in 15 years? What do you wish to achieve in general?

[Rybkin] In the immediate future my grand objective is for there to be, in addition to a fifth State Duma in Russia, a sixth, a seventh, and so on. And desirably, each one on schedule, or in any case in correspondence with the Constitution. The president, you see, does have the right of early dissolution of the Duma, and at times this will be required. If not by this president, then by other generations of presidents: I see no sin in this, this is a civilized parliamentary rule in many countries with a similar structure. The main thing is that this right must be exercised in full correspondence with the law. Currently my colleagues and I are actually creating the framework for the sixth and seventh Dumas. Because continuity is an indispensable trait of parliamentarianism. Things simply cannot be otherwise.

As for the more-distant future, I would like to see our country begin using the word "multiparty" system without the prefix "quasi-." A real multiparty system with strong parties is the indispensable condition ensuring that there will be continuity in the parliament, that the thread of time will not be broken, that the best traditions will be inherited.

These are the two most important tasks. Why strive toward them? Because people both in Russia and in all the world have become persuaded that Tyutchev, whom I love dearly, wasn't right after all when he asserted that "you can never understand Russia with the mind, or measure it with a common yardstick." I would very much want to see a time when Russia becomes an equal among equals, the pride of the proud, and strong among the strong and flourishing states of Europe and the world. And one other dream: for the zone from Vancouver to Vladivostok to first become a zone of peace, good-neighbor relations and mutual support, and after that, for other countries that become accustomed to

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living by the force of law, rather than by the law of force, to gradually enter this zone as well.

[Malashenko] Ivan Petrovich, in discussing the next 2 years, could you possibly make some kind of prediction regarding two or three things, and say that this one thing will happen like this, and not in some other way? And if what you say is confirmed, 2 years from now when we will be going through the back issues of *OBSHCAYA GAZETA* we might say, yes, Ivan Petrovich Rybkin was right. And if not, then we would say the contrary: No, he wasn't right.

[Rybkin] Well, when it comes to the economy for example, I feel certain that we have passed the point of no return. Those who are appealing to the people to return to the launch positions risk running out of fuel and plunging to the ground, both as politicians and as parties. The reforms oriented on establishing a diverse economy, on cultivating a diversity of forms of ownership and business, will of course continue. And successfully at that, because an ever-increasing number of people are coming to understand that their interests lie in the reforms. I think that in these 2 years, every family will come to feel that the comfortable life, a movement toward the better is coming to every home. In the economy, I totally reject the catastrophic variant that many are predicting. Nothing will fall, nothing will fall apart or shatter. The economy will be consciously turned around in such a way that four-fifths of it will work for the individual, and only one-fifth for all the rest—Defense and other state needs.

As far as politics are concerned, there are very many more factors here. But there is one thing I can say: Supernationalistic, extremely scandalous political forces with a low level of culture (both the general and political) and with an inordinate grasping reflex will not be successful in the forthcoming elections. They bumped their head once against their ceiling, and they will never reach it again. The election will be won namely by the individual who preaches the social-democratic idea. This might not be pleasant for our radical-liberals to hear, but they won't enjoy any success in the presidential elections either, and they will receive approximately the same percent of the votes in parliamentary elections. The parties of the majority, the parties of common sense will win the presidential, parliamentary and regional elections.

[Klyamkin] From what I understand about Khasbulatov, he didn't become the person we knew in '92-'93 right away. He was swept up by the majority. Aren't you afraid of getting yourself into a situation in the Duma in which the majority will sweep you in a direction that you don't want to go? And how do you feel you would behave in this situation?

[Rybkin] My grandmother, a simple peasant, told me once long ago: "If everyone started jumping off a cliff head-first tomorrow, that doesn't mean you need to do the same." That's my basis. I always state my position

clearly, especially when I talk with faction leaders one-on-one or in the Duma Council. I want there to be constructive cooperation between the branches of power and within the Duma, though of course, not at just any price.

The Future of the Parliament

[Klyamkin] What do you see as the fate of parliamentary democracy in Russia in the immediate future: Should the parliament be stronger or weaker, considering the people that will unavoidably end up there, given the kind of society we have today?

[Rybkin] What is apparently an almost optimum variant of relations between parliamentary and presidential power has apparently been found for the transitional period. In the future, I feel that as civilian society and the law-abiding state as a whole take shape, and as legal norms penetrate into the minds and hearts of the people, we will need to amplify the role of the parliament. But an orientation on a strong leader will always have important significance in Russia in the foreseeable future.

[Klyamkin] We need to say a few things about the formula of the elections in this connection. Many are saying today that the parties are weak, and consequently the people who get on the party slates do so by chance. On the other hand, in a majority system, anyone can win, and moreover, were we to put our money on it, we might leave parliament without any experts at all. What formula for the elections do you feel to be optimum?

[Rybkin] Even though many are displeased with the makeup of the State Duma, I would like to emphasize that two-thirds of the people in it are from 20 to 50 years old. Almost a hundred and a half persons have degrees and titles. Moreover there are many doctors of legal sciences, and many economists. True, some averaging did occur. Many very profound and substantial people maintained a wait-and-see position during the election campaign. Or they even wanted to run, but they didn't get on the party slates because the party leaders were afraid of them.

As far as combining the majority and proportional systems, this is a debatable issue. Some feel that everything needs to be left as before—that is, 50-50. The arguments in favor of this are that the people have just finished voting, and that we are not used to this system; however, the voters were able to master it rather quickly. We need to hold at least two or three elections under this system in order to see at least some of its dynamics, and then evaluate it more objectively. The second variant is to reserve 450 seats, to treat all of Russia as one general federal district, and give all parties the right to nominate their candidates in the 450 districts, but hold the elections in a single round. Those who cross the 30-percent barrier would be said to have been elected, and would take a seat in parliament directly. As for the others, the percentage of the votes won by each party could be reckoned, since each candidate will have been asked to

indicate his party affiliation. Party votes that were unable to surmount the 5-percent barrier would be distributed. There is a rational kernel in this as well. To be honest I haven't yet decided which way is better. Perhaps we will arrive at a variant in which two-thirds will be elected under the majority system while a third will be elected on the basis of party slates.

As far as the presidential elections are concerned, despite the advent of different suggestions for holding them in several stages (some thought could be given to this), I feel that the president should be elected today in Russia in accordance with the Constitution by a vote of all the people, without any intermediate stages. In this transitional time of crisis, the country must of course have a strong government.

[Bonnet] The parliament depends very strongly today both morally and materially on the presidential administration. In what real way is the independence of legislative power expressed today?

[Rybkin] Beginning in May of this year—that is, with adoption of the budget, the State Duma, the Council of the Federation, the government, and the presidential administration will have their own lines in the budget. The State Duma, and later on the Council of the Federation, created their own affairs administrations. We have also been asked to assume operational control over things that are necessary to us. My position is the parliament should not become overgrown with its own incredible administration, and this administration should not transform into a self-contained factor. I say enough of this sort of thing in the former RF Supreme Soviet.

The president suggested erecting a parliamentary center in central Moscow, but the Duma rejected the idea. Now the Duma is rethinking things. The opinion is developing that we could begin building such a center when our terms are up and it is clear that we are not making such a decision just for ourselves.

Postscript

Pilar Bonnet: In Ivan Rybkin's opinion the idea of compromise, of reconciliation is central in this transitional period Russia is experiencing, which according to the Constitution should culminate with the presidential elections and elections to legislative bodies of government. Rybkin is a circumspect politician who often makes appeals to common sense. It seems to me that considering the distressing experience of the previous parliament, he is fully resolved to avoid collisions by any means, both within legislative power and between legislative and presidential power. From my point of view, the leader's desire for compromise is to a great degree a reflection of the precariousness of democratic institutions, and of the difficulties associated with the parliament's transformation into a normal place for bringing out and resolving conflicts. The impression is created that the leader of the Duma is incapable of perceiving

conflict as a natural means of the society's development. Time will show if a clear strategy that correlates with a feeling of responsibility for the country's future stands behind these neutral words.

Igor Malashenko: I. P. Rybkin does not give the impression of a public politician—a politician for whom being elected and being popular with the voters is a natural thing. His sphere, perhaps, is one of attaining compromises with other politicians. It was only by the force of historical circumstances that he was drawn into the political whirlpool. He dislikes rhetorical exaggerations, and even simply direct statements, which are something usually required for success among voters. But it may be that this is precisely what makes him the optimum Duma leader in the present stage of the political jockeying.

Igor Klyamkin: Ivan Petrovich is in my opinion one of those politicians whose main position is that of reconciling the positions of others—a superior quality for the role of Duma leader. His own political line is hard to see. Taken together, both the one and the other allow him to easily move from one political camp into another, and we can anticipate such transitions in the future. Most likely his choice will be determined, as before, by where the most power lies under the Constitution effective at the given moment. It seems as if he believes that his present political status is not the limit. Insufficient concreteness, a certain idealization of political views is manifested in his assessment of the prospects for social-democracy: It is unclear from Ivan Petrovich's answers how it is unique under the conditions of post-communist Russia, in which the state, property, and hired labor have not yet separated from one another.

For now, this is social-democratic rhetoric—as is true by the way for all Russians thinking as Ivan Petrovich—and not a claim upon socialist-democratic policy. But this rhetoric allows him to formally distance himself from the main groupings that are fighting it out, and in a sense maintain a position "above the fray."

Security Council's Migration Containment Policy Critiqued

954F01004 Moscow OBSHCAYA GAZETA
in Russian No 41, 14 Oct 94 p 8

[Article by Andrey Fadin: "Post-USSR as Russian Sudetens"]

[FBIS Translated Text] The Interdepartmental Commission on Public Security of the RF Security Council (A. Kulikov, chairman) adopted decision No 5 mapping out a strategy for restricting migration flows into Russia (by refugees and migrants) in every possible way (particularly through entry quotas), inasmuch as they are "jeopardizing its national interests." "...the state is not prepared to receive Russian-speaking refugees from countries of the near abroad. Compatriots who arrive in

Russia and who fail to receive understanding and support on the territory of their ethnic motherland are also becoming a destabilizing factor in Russia's political life." Government Decree No 1019, requiring development of proposals within 2 months' time for introducing immigration quotas for different territories of the Russian Federation, was written in the same spirit.

At first glance this approach reflects the objective picture. The production slump, the deep structural crisis and the advancing unemployment (already around 12 percent of the able-bodied population) are all in fact abruptly decreasing the state's possibilities for receiving and accommodating several million potential refugees and repatriates (let's finally go ahead and use this word). It is also obvious that the migration flows do in fact need to be controlled, including by introducing quotas for the territories in which they are to be received, since otherwise conflicts and growth of social tension would be inevitable, as had occurred in Stavropol and Krasnodar krais upon arrival of the first wave of Armenian refugees. However, the general sense and the tone itself of all of the known official documents (both government and Duma) leave no doubt that the Russian leadership is striving not so much to control the migration flows as to lessen repatriation of the "orphans of the empire" in the Russian Federation to the minimum common courtesies would allow.

It is difficult to believe that the problem of money and public order is the decisive factor here: Money is being found for other less important projects, and crime-generating factors of far greater productivity continue to operate unchecked.

Moreover from many totally practical points of view, reverse migration (repatriation) of at least part of the foreign Russians might be not only and not so much burdensome as extremely stimulating to the socioeconomic development of the country as a whole, and especially its stagnant regions. The "indigenous" Russian population, which is rooted to its places of habitation, is not ready to get up and move, while migrants at the "growth point," which has been severed from the roots, are a mobile and vigorous social force. They are prepared to begin from ground zero, and they are not rooted to a rickety housing market; they are prepared to assimilate new spheres of activity, which is something the population of the depopulated oblasts of the Center and Southwest have little propensity for.

Looking at the situation from the somewhat cynical point of view of "realpolitik," we can also see that the regional leadership has a direct interest in settling migrants within "its" territory: It would receive a population that is dependent upon it, politically controlled by it, and voting "correctly" (that is, for it).

Strange also are the suggestions that national interests are jeopardized by migrants in a country with negative population growth and without any real prospects for

halting depopulation in the immediate future. The answer apparently lies in something else.

In what?

Russian imperialism, which has never actually died away, is perhaps facing a decisive choice in its short post-Soviet history. This is the choice between the desire to control the space of the empire and restore it in one form or another, which are archaic at the threshold of the 21st century, and the possibility for decisively modernizing the system for defending and realizing its interests. The latter presupposes something like an exchange of pieces in a chess game—a sacrifice "for quality," "concession" of territory in favor of faster socioeconomic development, and replacement of the primitive economic instruments and the instruments of force ("we will shut your gas off") by financial, scientific, technical, cultural and technological instruments. And of course, this second variant requires a corresponding choice regarding development of the success of market modernization by Russia itself. In this case, rejecting the devastatingly expensive mirage of direct geopolitical domination, Russia has a chance for not only becoming a natural center of attraction for the post-Soviet world in a decade or two, but also for acting as the guarantor of its new status quo in opposition to fully probable attempts by other nearby centers of power (China, Turkey, Iran...) to change this status quo.

Although sacrificing the unbearable burden of imperial grandeur (today, only its shadow) in behalf of the real grandeur of tomorrow is not our worst tragedy, some precedents of this sort do exist in our country's history. The most recent of them was the military policy of the USSR in the 1920s and early 1930s, when the regime rejected maintenance of an expensive large army (it began to be organized as a combined regular and militia system), while the principal resources were directed at industrialization.

Life is not an easy road

Naturally not one of the variants of development can be implemented in pure form, which is a reflection of the correlation of forces in the political establishment of the Russian Federation. There can only be domination of one particular approach.

What is the balance of these approaches today?

A look at bureaucratic policy (it is only through the bureaucracy that we can analyze any stratum of Russian reality today) in the "near abroad" reveals the following picture: The most modernized approach to the problem is demonstrated by the Central Bank, the Ministry of Finance, the Ministry of Foreign Affairs and, in some directions, the Ministry of Defense. The least modernized is also once again seen in the Ministry of Defense (in other directions), and once again in the Ministry of Foreign Affairs, the Ministry of Internal Affairs and the Federal Migration Service.

The latter might appear somewhat strange, but this conclusion necessarily follows from an analysis of the political line of these departments, directed at actually blocking migration flows into Russia, and "mothballing" the Russian-speaking population in the places of its current habitation, no matter what the conditions in which it finds itself.

Many of course may write off the actions of the Russian bureaucracy as traditional meaninglessness—as things which, as a minimum, did not diminish with the change of regimes. Still, we cannot completely exclude a certain rationality behind this approach, especially if it is formulated by Duma bigwigs (like Zatulin and Lukin) who do not have any direct power or who would not enjoy any direct advantages.

They know quite well what will happen to the Russian-speaking population of interior Central Asia if it is "mothballed" there. No treaties, no dual citizenship or guarantees by local governments would have the power to protect it there from the hostility of the local milieu, from daily personal conflicts, from threats upon their children. And how can there even be talk of treaties, if even a regime of direct occupation, as Kosovo's experience of over 20 years demonstrated, was unable to defend the Serbian population against daily aggression by the Albanian majority that squeezed it out of its land? Those who are "lowering the boom" are unable to understand this. Still, they prefer to protect the Russians over there, rather than helping them settle in Russia. And at least help those who have already come to this country.

Some of this could be understood by recalling that the traditional imperial approach presupposes in particular the presence of an ethnic "fifth column" in the sphere of its "vital interests" (as in the textbook cases of the Sudeten Germans, the Dalmatian Italians, the Transylvanian Hungarians and so on). And this is precisely so: As long as "ours" are over there, the USSR is not yet buried, there is someone to defend, there is a moral right to conduct "major surgery" and exert other pressures. This practice is very widespread in the world—recall actions by the Americans in Latin America, or the French and Belgians in Africa, to defend their citizens. Of course in this case no one is interested any longer in the fate of compatriots living "over there": It becomes only an argument in a political game, while they are nothing more than hostages to the "grandeur of the fatherland." This approach is somewhat cannibalistic, but it is fully practical.

We are of course hardly discussing a coherent and purposeful policy by some center of power: This is something we cannot expect from today's Russia. But it appears fully obvious that this motive behind the archaic imperial approach (in opposition to everything that might deservedly be labeled with the prefix "neo") can easily be traced through all of the administrative and political practice of today's regime.

'Reedited' Criminal Procedure Code Seen Violating Human Rights

954F0123A Moscow NEZAVISIMAYA GAZETA
in Russian 15 Oct 94 pp 1,3

[Article by Professor Igor Petrukhin, under rubric "Law": "Caution: Presidential GPU!"]

[FBIS Translated Text] I was pleased to receive ROSSIYSKAYA YUSTITSIYA magazine, No. 9, 1994. A work that had taken almost three years of strenuous efforts was finally published. It had been performed by a small group of jurists who had consolidated around the GPU (State-Law Administration under the RF President). So now you can read and be envious: "RF Criminal Procedure Code. General Part."

I began reading, and as early as the first pages the color of shame flooded my face. I had not written anything like this and had never heard that others had. Because we had literally "chewed over" every article, had argued to the point of exhaustion, and had sat up from three o'clock until ten in the evening, every week. So it turns out that all of that was just window-dressing. Someone, hiding behind the names of the professors with doctorates, had "edited" the text, leaving behind not a trace of the authors' conceptions. It had been necessary for someone to assure that the authorship became unpartitioned. That means that I am responsible not only for what I have written personally, but also for the entire text (mutual responsibility). Of course it is no simple matter to coordinate the various authors' positions, but it is completely possible, if one is conscientiously developing the ideas of the new Constitution, to follow the Judicial Reform Concept and to protect human rights. But it is precisely those principles from which the draft attributed to us deviates.

The newly revealed author simply does not like the Russian Constitution, and in a number of instances he casually turns away from it. Article 120 of the Constitution mentions the subordination of judges only to the Constitution and the law [*zakon*]. Our zealot makes a "microscopic" addition: "and to law [*pravo*] (paragraph 1, Article 1). That would seem to be a minor point... But what will happen if every judge can say: "here I am applying a law [*zakon*], and here I am putting it to one side and am applying law [*pravo*]"? Inasmuch as judges will understand law differently, lawlessness and arbitrariness will reign. "Put the law to one side," we have occasionally heard. The problem is that, for certain of our jurists, the Western models are too alluring. Yes, in the United States a judge can apply a right [*pravo*] that has not been embodied in a law, because the judge's (overall) right and precedents exist there, and the legal development proceeds thanks to the judge's establishment of norms. In our country, however, as in all of continental Europe, the judges apply only that right that has been stipulated in a law or in an international treaty.

Our invisible "editor" is also at variance with Article 46 of the Constitution, which allowed the appealing.

directly to the court, of the illegal actions of officials. But the draft of the UPK [Criminal Procedure Code] proceeds from the view that the complaints concerning the illegal actions of the preliminary investigating officer or the investigator (who are officials!) might be presented to the prosecutor. Even appeals concerning illegal arrests or confinement in a psychiatric institution must be made to the prosecutor (paragraph 1, Article 187, and paragraph 1, Article 192)! Excuse me, but a judicial procedure for appealing arrests has already been introduced now. Why move backwards?

The Constitution has unconditionally prescribed that telephone conversations can be monitored only in accordance with a court decision (part 2, Article 23). But for our editor that is just an empty sound. He points out: the interception of telephonic communications is possible in instances that do not tolerate delay, "without obtaining a court warrant..." (paragraph 4, Article 203). The author does not explain what those instances are. Each such instance can be depicted by an unscrupulous investigator as one that does not tolerate delay. Informing the court concerning such an egregious violation of constitutional law no longer has any decisive importance. Lawlessness has occurred.

With the reference to urgency, the draft permits, in citizens' dwellings, searches and other investigative actions that have not been sanctioned by the court (paragraph 2, Article 31). What sense is there in subsequently, *ex post facto*, informing the court? After all, the search has already been carried out. So, once again, it might be fitting to recall the transoceanic experience. The U.S. police have the right to enter a dwelling with a warrant in only two instances: when a criminal who is being pursued has hidden in that dwelling or when someone calls for help.

Another possibility is also stipulated: a person himself asks to be searched, asks to have correspondence that is addressed to him intercepted, to have telephone conversations monitored, etc. It is necessary to comply, the GPU drafters of the UPK say (paragraph 3, Article 140). But everyone who is only slightly familiar with the "investigative kitchen," knows how simple it is to depict voluntary action when it is completely absent. Then just try to prove later on that there was no good will. It is difficult to imagine that a search is possible on the basis of good will. On the other hand, there is a ridiculous appearance to the requirement to inform the tenant concerning the investigator's intention to make a search or seizure there (paragraph 2, Article 146). These procedural actions are valuable precisely because of their suddenness.

It is possible that fear of the phenomenon of the "recalcitrant prosecutor" and the desire to please the president led the people at the GPU to the clever idea of establishing the position of "special prosecutor," who is appointed by the RF president in delicate situations. For example, in order to bring "highly placed individuals" to

criminal responsibility or when announcing a challenge to the RF prosecutor. They are not embarrassed by the fact that it is not too far from a "special prosecutor" to a special meeting. If the president appoints a special prosecutor and puts him on the payroll of his administration (paragraph 2, Article 70), then the assertion of that figure's independence elicits a smile. On instructions from the president, the special prosecutor can conduct an investigation himself and can also make statements in court himself. Thus, the president can put out of commission the constitutional institution of a prosecutor's office that is centralized, single, and indivisible (Article 129 of the Constitution). It is no misfortune that, according to the Constitution, all the prosecutors are appointed by the RF general prosecutor. An UPK of officials is more important than the Constitution. Because the prosecutors who will pursue the highly placed officials (or will refrain from doing so) are not Stepankov's or Ilyushenko's prosecutors, but Yeltsin's. Let's hope fervently that no relative of the general prosecutor is brought to court! It is assumed that in this instance all the prosecutors who are subordinate to him will not be impartial. It is for the sake of one such situation, which is possible just once in 100-200 years, that the specter of a special prosecutor will appear.

How much has been said about protecting the individual against the authority's arbitrary actions! Yet what do we see in the draft of the UPK? A monstrous norm has been introduced: "holding," which is, in essence, the detention of victims and witnesses for a period of up to 60 days (paragraph 4, Article 204), and which is equivalent to "beating out" witnesses' depositions by incarcerating a person who has not participated in the commission of a crime. Nothing like this exists in civilized countries. Our scientists—the exposers of bourgeois procedures—used to come down angrily on the American police, which has the right to hold witnesses to an occurrence for 20 minutes. Now we are offered something greater—a period of time that is worthy of being listed in the Guinness Book of Records. Of course, the witness can be subjected even to criminal punishment for refusing to give depositions. But it is categorically forbidden to coerce anyone to give depositions, and yet it is precisely this purpose that lies behind the statements concerning the need to detain a witness who is attempting to hide. If this is actually a witness, rather than a suspect or an accused individual, then his incarceration by means of force is a crime (Article 126 of the RSFSR UK [Criminal Code]).

Human-rights zealots have increased the detention time from 72 hours at the present time to seven days (paragraph 4, Article 167). During that period no accusation is leveled at the detained individual. We have heard a lot about the unbearable conditions in the solitary-confinement cells for people being investigated. The detainee is ready to give any depositions, just so that he will be released. But that poor soul is not made aware of the fact that our courts frequently do not accept any statements concerning forced admissions. The UPK no

longer mentions the procedure that requires militia workers to carry out definite actions when detaining a criminal at the place of the crime (explanation of his rights, the carrying out of a personal search, etc.).

The draft stipulates the enforced confinement in psychiatric institutions of victims and witnesses, and this lowers the level of the individual's legal protection (at the present time the application of such measures is possible only as they relate to suspects and accused individuals—Article 188 of the RSFSR UPK). The victim has already suffered from the crime, but people want him to suffer even more by subjecting him to solitary confinement and by having him live with "psychos." And a witness is, in general, created by the will of circumstance. Despite this fact, he might find himself in a mental hospital. Doubts concerning the ability of the victim or the witness to give depositions can be dispelled by out-patient psychiatric findings or can be eliminated by other means.

It would seem that the GPU officials particularly like detentions and arrests. According to their will, even a lawyer can be subjected to arrest for a period of up to two days. Grounds: refusal to carry out his duties in defense or representation by appointment (Article 209). It is necessary to explain here that defense by appointment is an extremely thankless job, for which the state pays lawyers practically nothing, or, if it does pay them, it is only chicken feed. With the aid of arrests, the attempt is made to force lawyers to carry out this "menial," thankless work, and on a broad scale (in 30-40 percent of criminal cases, lawyers participate on appointment by the investigator or the court). They also do not want to consider that in remote areas they may be only two or three lawyers. One of them may be ill, another may be out of town on business, or participating in another case. Is the way out of the situation really to arrest the lawyer? Just imagine how a lawyer would appear to the public in the courtroom after being held for two days in "captivity" [*nevolya*] (a favorite word of the GPU authors). According to this draft, the counsel for the defense does not become acquainted with the materials of the criminal case until after the moment of completion of the preliminary investigation (paragraph 12, Article 89). This is a step backward as compared, for example, with the draft of the union's 1991 Principles of Criminal Proceedings and the 1990 RSFSR UPK, both of which, in a number of instances, permitted the counsel for the defense to acquaint himself with the case as early as the moment of making the accusation. A lawyer who does not know the materials pertaining to the case is deprived of the opportunity to conduct the defense properly—to request the verification of unstudied versions and the circumstances that speak in favor of the accused, to present proof that refutes the accusation, etc. It is not excessive to recall that, for example, according to the French UPK, a counsel for the defense gets copies of all the procedural documents as early as the procedure of the first appearance.

Imagine that someone calling himself a lawyer breaks into your apartment, accompanied by two more citizens who are witnesses and a militia worker, who identifies himself as an "observer." The lawyer rummages around among your belongings, smashes the floor and the walls, looks for something, finds it, and takes it away. Are these arbitrary actions? No. It is a lawyer's search, stipulated by the draft of the UPK. It is also possible that the lawyer can examine your body (certification), can subject you to psychiatric evaluation, and can become acquainted with your postal correspondence. All these are so-called "private investigative actions" which, according to the UPK draft, can be legally carried out not only by lawyers, but also by victims (Article 75; paragraph 4, Article 161). This presents in disfigured form the idea of a parallel lawyer's investigation, which actually is necessary if we want to make the preliminary investigation adversarial. But this institution must be designed in a completely different way, namely: the lawyer obtains in court the authorization (warrant) to carry out the necessary investigative action, hands it over for execution to the investigator or the preliminary investigating officer, who carry out that investigative action, and the lawyer participates in it and receives copies of the minutes pertaining to it, which are subsequently introduced into the case. The victim—the private accuser—must also have the same rights.

In the UPK draft the investigator, together with the preliminary investigating officer and the prosecutor, is the accusation side (paragraph 28, Article 12), which, in addition, is served by the operational-investigation agencies. This creates a powerful "accusatory fist" against which the accused is powerless. He sends requests to the investigator-accuser; he lodges complaints against the prosecutor-accuser; on the basis of instructions from the investigator or the prosecutor, his dwelling, correspondence, and telephone are monitored by operational agencies. For the adversarial structuring of the preliminary investigation there is definitely no need to make the investigator the accuser side. He must carry out the function of thoroughly, objectively, and completely studying the circumstances of the case and in this instance is similar to a judge (prior to the revolution, there were court investigators in Russia). The prosecutor-accuser and the accused with his defense counsel must act in an adversarial mode before the court investigator.

Imagine that a crime has been committed against you and you are a private accuser. You do not have the practical skills or the technical means for establishing crimes, and you do not have the money to hire a detective. If you are unable to prove the crime completely, it will be necessary to pay the state a rather large amount of money in the form of compensation for the court expenses (paragraph 5, Article 219 of the draft). Knowing this, citizens do not want to go to court, and the criminals, realizing that they are unpunished, become bolder. The victim, however, remains without court protection, although Article 46 of the RF Constitution

guarantees everyone the restoration, by court procedures, of the rights and freedoms that have been violated.

One cannot justify the ban on interrogations of the preliminary investigating officers and investigators in courts if they have allowed insufficient study to occur, that is, if they have violated the law. It is even stranger that witnesses cannot be interrogated (paragraph 6, Article 161 of the draft). Without such interrogations it is sometimes impossible to verify the statements made by the accused individuals concerning the application of illegal methods of investigation to them.

Under the pretext of intensifying the fight against crime, dubious data that does not lend itself to verification is brought into the criminal process with increasing frequency. The UPK draft allows the use as proof of affidavits by the supervisory employees of operational-investigation agencies concerning the content of reports prepared by subordinates and agents (paragraph 1, Article 153). But what about human rights? Are we really supposed to believe that anyone will be pleased by a sentence that is based on a free rephrasing of reports prepared by secret agents or informers whom neither the court nor the accused has ever seen face to face? What has dictated the special trust in the "supervisory employees" of the MVD [Ministry of Internal Affairs] and the FCS [Federal Counterintelligence Service]? Why ignore the principle according to which the court is "obliged to study directly the proof of the case" (Article 240 of the RSFSR UPK) and the rule of the inadmissibility of proof obtained by violating the law (Article 50 of the RF Constitution)? It is instructive that, in the United States, there is guaranteed at the constitutional level the right of the accused to confront the person who has accused him of committing a crime. In our country, however, agents and informers are declared by the law itself to be persons whose identity is kept secret, and therefore a confrontation with them is precluded. There exists the danger that a muddy wave of secret operational information will inundate our courts. Inclusion in the UPK draft of the procedural figure of "denouncer" (Article 133) and the introduction of a "thorough search" (paragraph 12, Article 71) recall the times of the Inquisition, when denunciation and search ("investigation") were extremely encouraged.

The draft authors, following the fashion, grant the prosecutor the right to free accomplices, including the organizers, of crimes of special and exceptional gravity from criminal responsibility if they have aided in uncovering those crimes (paragraph 4, Article 58). This encourages the provocation of crimes and violates the principle of irreversible responsibility for committing them. But we know that secret agents and employees of the MVD and the FCS act in the role of accomplices who have wormed their way into the confidence of criminals. They may continue their difficult work, but they do not at such time commit crimes, especially those of special or exceptional gravity. They will say: if you do not commit

crimes, you cannot win the confidence of criminal groupings. We object: a person who has committed a crime (especially a heinous one) should not enjoy immunity or privileges. He can only count on a mitigation of the punishment with a consideration of the special motives for the crime.

We shall not list any other errors or inaccuracies in the draft. There are more than enough of them. We shall state only that, by intensifying the legislative-draft race, the GPU is rendering the president a favor that might have an adverse effect on him. I do am sure that the members of the State Duma will have a heyday in mocking this "law-making." But if the deputies are unable to differentiate among the procedural niceties (although the defects lie on the surface), then all of us Russian citizens will suffer. Work of tremendous state importance has been disrupted. Experts have been compromised. Involuntarily one wonders what kind of an institution the GPU is. The office with such a nostalgically nice name is situated in the tremendous building of the former administrative department of the CPSU Central Committee and, on the basis of its functions, somehow resembles it. One and the same legislative drafts, including codes, are developed both at GPU and in Minyust [Ministry of Justice]. But the GPU is closer to the president, and therefore it is precisely its legislative drafts that are promoted first of all. It is a strange situation: the executive authority is subdivided into two parts: the presidential and the governmental. And both of these branches frequently perform one and the same job. Naturally, there is a doubling of the state budget's expenses. In a normal civilized state, Minyust would prepare legislative drafts. It is sufficient for the president to have a small group of legal advisors.

The president, by his directive of 15 September of this year, required the sending of the UPK draft that had emerged from deep within the GPU to the appropriate central departments and to the outlying areas, the collecting and consideration of all the comments by 10 October, and the preparation of the code as a whole (including the special part) by 30 October, for sending to the State Duma. Those deadlines are obviously unrealistic, since the draft itself is defective. It will take a large number of efforts to prepare a fully valid UPK on the basis of the RF Constitution and Judicial Reform Concept. The code must guard the individual against arbitrary actions by the authority and must offer the optimal procedural forms of investigating crimes and of resolving criminal cases in the courts.

Decree on Paying Bonuses to People With Access to State Secrets

954F0123B Moscow ROSSIYSKAYA GAZETA
in Russian 19 Oct 94 p 4

[Decree: "Decree of the RF Government, Entitled 'Procedure and Conditions For Paying Percentage Salary (Wage Rate) Differentials to Officials and Citizens With Access to State Secrets,' Dated 14 October 1994, No. 1161, Moscow"]

[FBIS Translated Text] In conformity with Russian Federation Law "State Secrecy," the Government of the Russian Federation decrees:

1. To establish for officials and citizens with access to state secrets on a permanent basis a monthly percentage differential to the salary (wage rate) for working with information constituting a state secret, depending upon the degree of secrecy of the information to which they have access, in the following amounts:

For work with information having degree of secrecy	Size of monthly differential, in percentages of the official salary (wage rate)
"special importance"	25
"top secret"	20
"secret"	10

The indicated differential is paid to officials and citizens with duly formalized access to information with the corresponding degree of secrecy and in accordance with a decision of the administrator of the state authority agency, enterprise, institution, or organization for persons working with such information by virtue of their official (functional) duties.

Military personnel and persons in the rank-and-file and managerial makeup of internal affairs agencies are paid the indicated differential to their official salaries without consideration of the increase in those salaries for service in localities that are remote or that have difficult climatic conditions, or any other increases.

2. To establish for employees of structural subdivisions for protecting state secrets at agencies of state authority, enterprises, institutions, and organizations in addition to the monthly percentage differential stipulated by paragraph 1 of this decree, a monthly percentage differential to the official salary (wage rate) for work longevity in the indicated structural subdivisions, in the following amounts:

Work longevity	Size of monthly differential in percentages of official salary (wage rate)
from 1 to 5 years	5
from 5 to 10 years	10
10 years or more	15

The work longevity for employees of structural subdivisions for protecting state secrets at agencies of state authority, enterprises, institutions, and organizations, which longevity gives the person the right to receive the indicated differential, is to include the time worked in structural subdivisions for protecting state secrets at other agencies of state authority, enterprises, institutions, and organizations.

3. The monthly differentials that have been established by this decree are to be paid in excess of other

differentials and pay increases that have been established by legislation that is in effect.

In those instances when, at agencies of state authority, enterprises, institutions, and organizations, in addition to the monthly percentage differential for work longevity in structural subdivisions for protecting state secrets, a salary increase (bonus) has been established for long service (uninterrupted work), employees of structural subdivisions for protecting state secrets are paid one of the indicated differentials (bonus) of the larger amount.

4. In those instances when the differential stipulated by paragraph 1 of this decree proves to be less than the existing differential for work with information constituting a state secret, for officials and citizens receiving a higher differential, the procedure for paying it is preserved.
5. This decree goes into effect on 1 January 1995.

[Signed] V. Chernomyrdin, chairman of the Government of the Russian Federation

Comment on, Extract From RAU-Corporation's Latest Book

954F0111A Moscow ROSSIYA in Russian
No 39, 12-18 Oct 94 p 3

[Article by Lidya Timofeyeva: "Is the Chance a Real One for Us, and Is It Real Today?"]

[FBIS Translated Text] The autumn presentation of RAU-Corporation's 150th volume of research works would have remained a performance on the stage of the theater of the Association of Taganka Actors, with the talented director and actor Nikolay Gubenko in the presidium, if not for three circumstances.

First, the problems treated in the book, *Rossiia segodnya: realnyy shans* [Russia Today: a Real Chance]. Realizing no less than the authors of the research what a historical pit the country has fallen into, those who were in attendance, who included the founders of the new Spiritual Legacy public organization—an association that supports the country's science, culture and education—attempted to draw the public's attention once again to the critical problems of existence and to propose their ways of getting out of the crisis.

Second, the timely importance of the book's leitmotif—the spiritual rebirth of Russia through the formation of a national idea of development, or a "Russian idea," that the majority of people in society would accept. On this point, Nikita Moiseyev, a member of the Russian Academy of Sciences and one of the book's authors, said bluntly: "I see three supports for the spiritual flourishing of Russia's citizens: resources, the country's remarkable geopolitical situation, and the intellect of the nation combined with Russia's millennium-old culture."

Third, entrepreneurs' heightened attention to works of this sort. As is known, one of the RAU-Corporation's books, *Natsionalnaya doktrina Rossii* [Russia's National Doctrine], was financed by the Bridge Group. And the latest was financed by a group of entrepreneurs led by Aleksandr Ionov. As we know, the "new Russians" have already learned not to throw away their money.

I will not say that there was complete unanimity as to the ways and means of bringing Russia out of the crisis. Someone even cited the comment at the beginning of the book: "The opinions of the editors and members of the authors' group may not coincide on certain issues." However, the constellation of scholars, analysts and writers brought together under the covers of "a real chance for Russia" were unanimous on one point: it is necessary, no matter what, to preserve the country's dignity and the concept of "Russian" [russkiy]. One journalist stated that a great deal already belongs to Russia today—if Japan is the planet's brains, and the United States its muscles, Russia is its soul. In reply, A. Lunkov, one of the book's authors, said: wait until it becomes the planet's brains, its muscles and its soul; only then will it be possible to speak of the embodiment of the Russian national idea.

Whether that thesis is debatable or not, and whether it belongs to a nationalist, an ideologist of messianism, or an ordinary Russian patriot, I truly do not feel like discussing. I will say one thing: the members of the intelligentsia that filled the hall on this evening were genuinely concerned about the destiny of Russia and its multinational people. And there was no indication of covert anti-Semitism or belief in the exclusivity of the Russian nation. It is just that everyone who had managed to leaf through this huge and painstakingly put-together book felt pain and shame for the country in which we live today. And nothing but a desire for its good and the prosperity of its citizens could be detected in the attitudes of those who were present.

Today we are publishing an excerpt from the book, the press run of which, alas, was only 5,000 copies.

Russia is divided, and no one can say or prove which (or whose) "half," "third" or "fourth" is bigger or smaller. The split runs along both vertical and horizontal lines. And it is due to causes that are more fundamental and deep-seated than it is customary to believe and explain—not to the confrontation between branches of government, not to the implacable nature of politicians' ambitions and desires, and not to the division of society into the supporters and opponents of reform, explanations with which some people, either through misunderstanding or ill intent, are inclined to console themselves and others.

The split is based on a different principle: what Russia should be like and which path of modernization it should take. Just because many people have attempted to capitalize on this issue and use it to play their own political cards, launching into dubious ventures and staging provocations, does not stop it from being a stumbling block

and the nexus of all the contradictions that have accumulated in society. Our divided society has its own limits and extremes: on one side are those who have recklessly rushed "to the West," who follow and defend comprador policies, and who are prepared to be colonized and to forego the country's national interests; and on the other side of the "barricades" are the representatives of the "implacable opposition"—nationalistic patriots who live in the past and by the past, and who are incapable of proposing a future of genuinely civilized existence that is worthy of a great country.

As paradoxical as it may seem, one must admit that it was the tragic events of September-October 1993 that made it perfectly obvious that the path of freedom through coercion, confrontation and violence is contraindicated for a country such as Russia and promises it no good. It is groundless and dangerous to give in to the illusion that it is possible to ensure the success of reforms and the genuine democratization of societal life at the price of bloodshed and innocent victims. Any serious politician and simply sound-minded individual understands that no one won any sort of victory, that not one problem, including the problem of a constitution, was solved, and that the conflicts that have been draining the nation's soul were simply driven more deeply beneath the surface.

A Few Conclusions

1. Present-day Russian society is a complex, collective organism with its own inherent distinctive features and characteristics rooted in ancient historical tradition. Today that organism is seriously ill, and the cause of the illness lies in the incessant attempts to use violent and mechanical means to drive Russia into "civilized" paradise, the concept of which among the country's present rulers is highly abstract.

The most distressing thing is that the result of such reckless "reformism" may be a prolonged allergy on the part of society to the genuinely valuable Western experience that is perfectly worthy of being cautiously used under our conditions to the general benefit.

2. The ruling regime is rotten. This became especially obvious after the radical "democrats" of years past started to destroy with frenzy the democratic social institutions to which they themselves had pledged allegiance yesterday. The death throes may continue for a while longer, but their result—the replacement of a suicidal policy—is inevitable. In order for that to occur as painlessly as possible, all society's healthy forces and all politicians must find the strength within themselves to unite on a platform of enlightened state patriotism that presupposes joint work to revive a great and prosperous Russia.

At the same time, appeals to unity should be combined with a radical ability to draw dividing lines. Whoever is incapable of rising above his own ambitions or fossilized ideological dogmas cannot be a constructive builder of healthy Russian statehood.

3. A concept of building Russian statehood within the framework of which those who genuinely hold the destiny of our Fatherland dear could concert their efforts requires immediate, thorough and comprehensive development. The present exclusive infatuation with political tactics is understandable and explicable, given the reigning tension and confusion, but it is ruinous in the long run. Without a clear and coherent recognition of the sort of Homeland it wants to see, the country's political elite risks leading society into an impasse from which the way out will inevitably be accompanied by mass violence and bitter social conflicts.
4. The platform of enlightened patriotism on which it seems possible to harmoniously combine the diverse political, ideological and economic elements of capitalism and socialism, tradition and modernity, democracy and authoritarianism, and national distinctiveness and universal human values is the most promising basis for the ideology of a Russian renaissance. In this connection, the priorities in the practical activities of government should be immediate and tough measures to restore law and order; to prevent the collapse of the economy, rampage of crime, and discrimination against Russians in the CIS countries; and to put a stop to the separatist tendencies that threaten the integrity of the Russian state.
5. In order for such measures to be carried out, it is important, at all costs, to keep the development of the situation within predictable, peaceful and evolutionary limits. If we are unable to accomplish that, we shall doom the country to a series of continuous cataclysms and court revolts, in the chaos of which the last possibility for revival may be lost.

ROSSIYSKIYE VESTI Accused of 'Selling Out' to Administration

954F0111B Moscow *OBSHCAYA GAZETA*
in Russian No 41, 14-20 Oct 94 p 12

[Article by Anna Politkovskaya: "ROSSIYSKIYE VESTI Without Russian News?: Government Newspaper Becomes Presidential Newspaper"]

[FBIS Translated Text] Completeness of information is the only thing it makes sense to fight for in journalism. Today, however, when the public attitudes toward the 1996 election year are increasingly heating up, the newspapers, in order not to perish, are starting, one after the other, to try to fortify their own trenches. Some are putting all their efforts into reinforcing their independence with concrete, while others are hastily looking for someone to sell themselves to with the fewest losses for the newspaper's mission and the greatest gains for themselves.

The RF president's extremely curious 3 October Directive No. 499 has just been made public: "1. The initiative of the editorial staff of the newspaper ROSSIYSKIYE VESTI to act as cofounder of the newspaper ROSSIYSKIYE VESTI, together with the Russian Federation president's administrative staff, is to be approved. 2. The Russian Federation president's administrative staff is to act as cofounder of the newspaper ROSSIYSKIYE VESTI."

So there was such an initiative? So they asked for a yoke around their neck for a pittance. It is common knowledge that all winter in Moscow a positional war was being waged between the two central government newspapers, ROSSIYSKAYA GAZETA and ROSSIYSKIYE VESTI, for influence on the government to get better financing, for a place under the government sun, and for privileges akin to former communist privileges, only more and better. The fight started when it became clear that the government could not sustain two newspapers. And now we have the conclusion: ROSSIYSKAYA GAZETA won.

ROSSIYSKIYE VESTI found itself crowded off the battle field and, it seemed, had a chance to acquire independence and opportunities to define its own path in journalism. But as we see, ROSSIYSKIYE VESTI figured differently. And that is to some extent understandable: the lackey can count on always being well fed.

Not wanting to be an independent publication, ROSSIYSKIYE VESTI paid homage to another Moscow boss—the president's administrative staff—and won a victory there. Of the total of four points in the brief presidential directive, the fourth appears to be the main one: "The head of the president's administrative is, according to established procedures, to resolve the question of medical services and social and consumer benefits for the executives and members of the editorial staff of the newspaper ROSSIYSKIYE VESTI." And so, polyclinics, cafeterias, state dachas, vacation resorts, sanatoriums, and fresh cottage cheese in the former Central Committee snack bar—not bad, is it?

And so, the question of determining the orientation of the new old publication that has refused government founding is resolved by the last point in the directive. ROSSIYSKIYE VESTI will not approach the future presidential election burdened down with independent opinions. In return for founding funds and benefits, the president's administrative staff will unquestionably demand unequivocal judgments of ROSSIYSKIYE VESTI. And here, alas, the losses will not be small ones. Evidently, in the near future ROSSIYSKIYE VESTI will turn out to be armed not with news that is of interest to readers but with the "necessary" ideology that is advantageous to presidential structures.

Communications Minister on TV, Radio Cuts

954F0132A Moscow NEZAVISIMAYA GAZETA
in Russian 18 Oct 94 p 6

[Interview with Russian Federation Minister of Communications Vladimir Bulgak by Andrey Bayduzhiy; place and date not given; under the rubric "Firsthand": "Information Space Is a State Order of Sorts: RF Minister of Communications Vladimir Bulgak on Privatization of Television Transmitters"]

[FBIS Translated Text] [Bayduzhiy] Vladimir Borisovich, budget-financed broadcasting is currently being cut at both the first and second television channels. What is the Ministry of Communications' position in this connection?

[Bulgak] We work on the principle that the volume of state program broadcasting must be commensurate with budget appropriations for these purposes. The primary cause of the current crisis is precisely that the volume of broadcasting considerably exceeds what the budget allows for. The communications industry does not want reductions in the broadcasting network—the equipment ought to be utilized. But reality demands a different approach. Communications enterprises that distribute state television and radio programs are in a state of acute financial crisis for a second year now. For instance, the government decision of 25 May 1994 set the volume of broadcasting for each television channel, reducing it by 20-25 percent as compared to 1993. Budget financing in the amount of R1.7353 trillion was appropriated for this volume of broadcasting. However, the State Duma approved expenditures for broadcasting in an amount of R1.199 trillion, with a deficit of R535.3 billion. But even of this appropriation, already cut by the State Duma, the Ministry of Finance actually makes available only 35 percent. As a result, as of 1 September 1994 the state radio and television company's debt to communications enterprises comprised more than R410 billion, including R226 billion to Ostankino. Naturally, such debt resulted in radio and television enterprises in turn running up a debt to the power companies and more than R150 billion in back taxes.

A paradoxical situation arose whereby because the Ministry of Finance does not provide money to pay for the distribution of radio and television programs, the tax service and the power companies charged us penalties in the amount of R18 billion and R16 billion. Not to mention that in this situation communications enterprises do not have the ability to purchase acutely needed spare parts and materials. It is impossible for the television and radio network to function normally without these things. In a number of oblasts and krais this forces technical facilities to suspend operations, or they are forced to work at a considerably reduced transmission power, reducing the zone of assured reception of television and radio programs.

Another, no less important, issue arises: the social question. As of today more than R50 billion, or two to three months back pay, is owed to labor collectives.

[Bayduzhiy] To what extent can the Ministry of Communications squeeze budget-financed broadcasting if no money is found for it?

[Bulgak] Calculations show that based on the enterprises' economy, the technical specificity of the equipment, and in order to preserve the existing television network it is possible to reduce the broadcasting volume to 10-12 hours a day, and in radio—20 hours a day, keeping such programs as "Mayak" operating round the clock.

The state radio and television must remain the basis of the information space. This should be a state order of sorts, corresponding to the availability of budget appropriations. At the same time, air time taken up by commercial broadcasting and advertising must be taken outside state broadcasting and not be financed by the state budget.

We consider it a necessary condition to preserve two state television channels and three radio channels reaching the entire territory of the country, as well as local and new regional programs. It is necessary to gradually create conditions for broadcasting local and regional programs on a separate channel.

By the way, we are already conducting such work. In 1991 powerful television stations for regional broadcasting were put on line in Komsomolsk-na-Amure, Krasnokamensk, and Vladivostok; in 1992—in Surgut, Yaroslavl, and Saratov; in 1993—in Izhevsk, Stavropol, Volgograd, St. Petersburg, Bratsk, Abakan, Tsvil'sk, Tambov, Murmansk, Lipetsk, and Sochi. At the same time part of the freed air time and technical equipment will be made available on a licensing basis to nonstate alternative radio and television. Thus, a market of program distributors and a market of television and radio production companies will emerge.

[Bayduzhiy] How many licenses has the Ministry of Communications issued by now to independent television and radio broadcasters?

[Bulgak] About 450. The largest independent company is NTV, which broadcasts to about 40 million television viewers in the European part of Russia. In the future there is a plan to distribute NTV programming through communications satellites. Generally, we have a great number of proposals from other organizations, including foreign, to broadcast nonstate programs. However, these proposals involve first and foremost only major cities. It will still require government appropriations to maintain and develop the huge network of low-power retransmitters in rural areas.

[Bayduzhiy] Mikhail Poltoranin recently said that privatization of radio and television enterprises in Russia is proceeding full speed. Will it not happen that they will simply begin to show what they please?

[Bulgak] This is nonsense. I am telling you with full responsibility that not a single one of the Ministry of Communications radio and television enterprises has been converted

to joint-stock holding or privatized. In keeping with the state program of privatization of state and municipal enterprises in the Russian Federation [RF], approved by Edict No. 2204 of the RF President dated 24 December 1992, television and radio broadcasting enterprises are not subject to privatization. These enterprises are owned by the state and their assets are federal property.

The information State Duma committee chairman Mr. Poltoranin gave in a television interview on 10 September regarding the allegedly actively proceeding privatization of radio and television enterprises is incorrect. Perhaps he meant not privatization but conversion to joint-stock holding. This is a somewhat different thing. When everybody else is converting to joint-stock holding, it would be wrong to hold back this process at radio and television enterprises. But this is not all that simple either. Only enterprises that showed a profit over the past two years may convert to joint-stock holding. Because of constant nonpayments, radio and television enterprises became in fact unprofitable. In 1993 radio and television centers of Russia posted a loss of R35 billion, and in the first half of 1994—R280 billion. Besides, because of chronic nonpayments it is forecast that by the end of the year 80 percent of these enterprises may become insolvent. That is, the time has not come yet for conversion to joint-stock holding. When their economic condition is brought to normal, the process of conversion to joint-stock holding will become necessary and expedient.

[Bayduzhiy] How can you explain that in many regions today expansion of local broadcasting is done by cutting central programs rather than by setting up new channels?

[Bulgak] At the time, the working concept adopted in the country was to set up nationwide broadcasting on two central television channels. Later these channels were divided between Ostankino and the VGTRK [All-Russia State Radio and Television Company]. Local studios were to broadcast their programs within the boundaries of central television's Channel 2, and later—within the VGTRK program "RTV." The volume of local broadcasting is insignificant—between one and three hours a day. Therefore it is difficult from both technical and economic viewpoint to set up a separate channel for it in currently operating broadcasting centers. As I have already said, wherever possible communications enterprises are modernizing powers and antennae and taking local programs out to separate transmitters. It is not possible, however, to create such conditions across the entire network. There are indeed facts of local television studios substituting federal programs with local ones at their discretion. However, communications enterprises do not get into programming: They broadcast what television and radio companies put out. This issue should be regulated by the Russian Federal Television and Radio Broadcasting Service—not the communications industry.

Local television and radio companies increasingly often voice the opinion that Ministry of Communications television and radio centers should be transferred to

them. This cannot be done for a simple reason. Radio and television enterprises perform multiple functions, among which are rebroadcasting television programs; radio communications support, including defense-related; satellite and telephone communications; and a number of other tasks. This goes beyond the functions of local television and radio companies, and they will not be able to handle these tasks. Which, by the way, is supported by world experience.

REGIONAL AFFAIRS

Tatar as State Language Needs More Support

954F0162B Kazan IZVESTIYA TATARSTANA
in Russian 25 Oct 94 p 2

[Article by Professor Rais Bukharayev, academic director, and Associate Professor Dzhavdet Suleymanov, head, of the Joint Scientific-Research Laboratory of the Tatarstan Academy of Sciences and Kazan State University: "Will the Tatar Language Become the State Language?"]

[FBIS Translated Text] The Republic of Tatarstan has recently been actively moving towards incorporating itself into the world integration process in the area of information technology: from automated recordkeeping to information exchange between large departmental computer networks (the Ministry of Internal Affairs, the State Motor Vehicle Inspectorate, the RT [Republic of Tatarstan] Tax Inspectorate, banking and exchange systems, and others) and access to international computer networks. In this environment the problem of computer support for the development of the Tatar language as a functional state language becomes particularly topical and important.

Realizing the importance of this task, as early as 1990 a group of scholars of the KGU [Kazan State University] theoretical cybernetics department began studying this problem and working on corresponding mathematical support. The significant scope of this task soon became obvious. The group then drafted a special program of realizing the Tatar language as state language, meaning to attract to its coordinated implementation all interested specialists' collectives in the republic and the CIS.

The plan was to develop over the period 1993-1996 a program intended to support the functioning and development of the Tatar language, which was to include the following:

- 1) technical tools for the development and utilization of a computer standard alphabet code.
- 2) programming tools for workplace automation.
- 3) technical computer tools for the development of a program of "immersion" in the Tatar-language environment.
- 4) methodology and technology for the creation and modification of existing program packages providing Tatar-language user interface with systems.
- 5) programming tools for building a national computer data depository.

As a result of carrying out this program, the republic would get a complete arsenal of means necessary to conduct any work utilizing computers in the full-bodied Tatar language: education, publishing, management, and other activities, as well as communication through computer networks.

This program was approved by an expert evaluation conducted by specialists of the Ministry of Education with the participation of representatives of the Magarif All-Tatar Association, the Tatar Education Center, the ANT [Tatarstan Academy of Sciences] Institute for Language and Literature Research, the KGU, and the TAT-INFORM association. In June 1993, at the Cabinet of Ministers' direction, targeted financing was approved for implementation of the proposed program. To implement it, a joint scientific-research laboratory of the ANT and KGU (SNIL ANT and KGU) was created under the theoretical cybernetics department.

Inspired by initial successes, the laboratory leadership used the 1993 financing almost solely for technical equipment, even at the expense of staff salaries. Over one year the laboratory developed versions of standards for coding the Tatar alphabet for different computer systems; working versions of automated work stations for proofreaders, translators, and linguists; sets of programs for creating a Tatar-language environment in working on a computer; and educational and game programs. At the end of November of this year the department plans to organize a demonstration of the laboratory's developments and research for specialists and all interested parties.

However, 1994 brought some surprises. At the insistence of the Ministry of Finance, the joint ANT and KGU laboratory was included in the program of financing along with some hundred other tasks of the ANT, and the program of computer realization of the Tatar language as the state language, financed by directive of the RT Cabinet of Ministers, fizzled out once it ended up in the mill of the ANT's humanities branch.

The situation that has emerged here also contains an inherent conflict: Academicians, the Science Research Center, and the SNIL all share the same kitty. If the academicians get what they need, there will be nothing left for the center and the laboratory; if the center and laboratory's needs are met, the academicians will be left with nothing. At the same time, total appropriations for the entire branch amount to what would be necessary for the SNIL ANT and KGU alone. The position of the person whose job it is to distribute these crumbs truly is unenviable!

So we have gone back into the vicious circle already traveled several times over in the past few years: letter writing; program substantiation; current and long-term plans; appeals to the RT Cabinet of Ministers, the Ministry of Finance, ANT and... more paperwork. The problem is being splintered and perceived as a "sustenance handout"—there is no state approach with an

understanding of its importance and urgency. One gets the impression that nobody cares!

Why is the undertaking not moving; where are the brakes? Unfortunately we have not found any level of authority where the people will pick up the idea and realistically and consistently help the program reach the point where the results of its implementation will have a perceptible effect on the status of the language, on a real expansion of the sphere of functioning of the Tatar language. Moreover, while the Academy of Sciences as a whole received from the government budget for 1994 70 percent of the requested volume of financing, the humanities branch allocated to the laboratory only 24 percent of the requested amount for implementation of the state program. On the surface everybody supports the program, but in reality support for it is considered "a purely financial rather than political question."

While the program initiators knock on doors trying to prove the obvious, carrying out developments in the area of "Tatarization" of computers on pared-to-the-bone financing and earning the label "eternal beggars," the network of computerization is covering our republic increasingly more densely, and there is practically only several years left—if that long—for the Tatar language to organically enter and integrate into this information network. If we let the "train leave the station" now, it will mean in the future a general defeat in the struggle for the status of the Tatar language.

The situation is already catastrophic in publishing technologies, where computer information is created and stored in an arbitrarily chosen format (and most often destroyed after the typesetting is done and the hard copy is printed, because machine storage space is expensive). Even the original text is typeset in different code in different editorial offices, not to mention the differences in the desktop publishing systems used: Some use Ventura, others—PageMaker, still others—Politype-Monotype. And all because of the absence of state standards in computer technologies, because of the absence of a state policy in the area of computerization.

Each organization solves its own problems, and this is probably inevitable in the situation of market relations. But who will think of the interests of the whole state; who will take care of the standards without which we cannot dream about a national computer depository, the effect of which in the future may prove more valuable than our oil?

Naturally our leadership is concerned over the problem of stability of the sociopolitical situation in the republic and sometimes perhaps justifiably does not rush into resolving the tricky question of raising the status of the language. However, here in computer technology there exists a unique situation where, without affecting anybody's interests or coercing anyone, a positive effect is created both for the language, because it becomes the language of dialogue with the computer, the language of information storage and exchange, and for Tatars who

wish to work on the computer in their native language. At the same time, the computer's knowledge of Tatar does not affect negatively the non-Tatar population—on the contrary, it may help those who work on the computer using application packages specific for their profession to learn at the same time one more state language, the language of the people who gave their republic its name.

It is hard to overestimate the significance of installing the native language on computers for the Tatar people and for the state. It will create favorable conditions for the spread of the Tatar language in the business sphere, and provide a real possibility of creating a distributed national computer data depository, which will accelerate the Republic of Tatarstan's and the Tatar people's entry into the world information community.

At the 21st session of the RT Supreme Council on 20 July 1994 a decree was adopted "On Approving the RT State Program of Preservation, Study, and Development of RT Peoples' Languages. Developed in Keeping With the Article 7 of the RT Law 'On Languages of RT Peoples.'" This is wonderful, but this decree still has not received financial support and is in practice not being implemented.

We think that one of the reasons is that the committee for the program's implementation, set up by the RT Cabinet of Ministers, is not capable of carrying out this work either by its status or its composition.

First, this is a public body. The organization of program implementation, continuous control over its execution, over the use of finances as intended, and maintaining constant feedback with organizations and collectives all over the republic can only be carried out by a state committee with ministerial powers.

Second, the committee consists almost solely of specialists in the Tatar language. With this composition, the committee can effectively work only as an expert body, and in a rather specialized area at that, which is important but far from embraces the problem fully. Establishing a language as a state language is a job not only for philologists. The state committee should include sociologists, specialists in cybernetics, economists, jurists, and educators...

The third negative factor is that committee members are extremely busy with their other responsibilities, which deprives them of the ability to energetically engage in this area of activities.

Also of concern is the fact that more than 100 organizations of different levels are listed as executors with responsibilities for parts of the program; there are eight independent audit bodies alone. A natural question comes up: Will such diffusion not lead to an ineffective and practically uncontrollable distribution of finances?

The danger is that not carrying out the program will result in discreditation of the very idea of raising the real

status of the Tatar language and exacerbation of the political situation in the republic, as a result of which the question may have to be brought up of attaching the status of state language in the RT only to the Tatar language because of the real threat of its extinction.

Such potential development of events must be unequivocally avoided. The state of affairs demands that the Supreme Council urgently interfere and put through a number of measures in order to effect real implementation of the program.

As we see it, it is necessary to do the following:

1. Set up a special fund for support of the program of implementation of the Law on the Languages of RT Peoples (perhaps under the RT Supreme Council or the RT Cabinet of Ministers). This will make it possible to concentrate budget money in this fund, as well as attract sponsors with the purpose of targeted financing of the most substantiated and ready-to-go parts of the program and effective control over their correct execution.
2. Create a state committee on implementation of the Law on the Languages of RT Peoples as a state structural unit with mandatory annual budget financing in the amount of a certain percentage of the total budget.
3. Define priority steps within the framework of the approved program and begin their immediate financing after an additional independent expert evaluation.

Maritime Newspaper Editor Returns to Post

954F0162A Vladivostok KRASNOYE ZNAMYA
in Russian 22 Oct 94 p 1

[Unattributed report: "Newspaper Editor Stays"]

[FBIS Translated Text] Our newspaper received from Moscow the decision of the Judiciary Chamber for Information Disputes under the Russian Federation President. At its 14 October 1994 meeting the chamber reviewed the issues involved in the kray administration's attempt to fire the newspaper's editor in chief, V.P. Shkrabov. The complete text of the decision will be published in an upcoming issue of KRASNOYE ZNAMYA.

Until then we will only mention briefly that the Judicial Chamber found the kray administration's actions with respect to the editor and the editorial staff to be an "encroachment on the freedom of the mass media by means of illegally interfering in the activities of the KRASNOYE ZNAMYA editorial staff."

Ye.I. Nazdratenko was requested to revoke his decree No. 420, dated 23 August 1994 dismissing V.P. Shkrabov from his job, and not to create obstacles to publishing the newspaper signed to press by the "currently legitimate editor in chief."

Conference on Atomic Energy Reviewed

954F0201A Vladivostok UTRO ROSSII in Russian
27 Oct 94 pp 1, 2

[Article by Valentin Knapp, economic observer of UTRO ROSSII: "Survival Strategy or Development Strategy? Notes From the International Scientific and Technological Conference 'The Role of Atomic Energy in the Solution of Regional Economic and Environmental Problems,' Vladivostok, 18-20 October 1994"]

[FBIS Translated Text] It was between these concepts, as if on a set of scales, that the debate at the conference swung. There were, undoubtedly, most interesting reports of a special nature—on the future of nuclear power engineering proper and on the entire diversity of environmental problems—but what was of most importance for everyone was, for all that, the question of the development of power engineering, nuclear included, as a fundamental factor of the further development of the Far East and today's economic opportunities for this. To be even more precise, the first part of this problem elicited no particular objections, the second part, on the other hand....

You can say that the country has no money as much as you like. Nonetheless, the country needs at the same time to do something with itself to ensure that this money appear. This is not a splendid paradox but a categorical imperative for the country. And it is in this context that its Far East should be spoken of today—not as one part of the country but as an essential attribute of its prosperous development. If an outpost is overrun, the whole army could be overrun also.

So it was by no means fortuitous that a comparatively particular question of economic policy—whether to build a nuclear power station on this piece of territory or the other—made it possible to ascertain the positions not only of nuclear engineer specialists but also of the representatives of this power and major production structure or the other on fundamental problems of the socioeconomic development of the Far East.

Their range is quite wide.

I will begin with the position of the Ministry of Economics of Russia, which was represented by G.P. Kutovoy, head of the Department of the Fuel and Energy Complex.

This is the impression I got from his lengthy speech at the plenary session of the conference and from the numerous—and interesting—comments at a panel meeting. While assessing with sufficient accuracy the economic situation and the problems of the country and possessing numerous, including energy, balance sheets, the Ministry of Economics does not have a special position in respect to the Far East and its energy problems. Whence the statements like "no one will grant you subsidies," "rely on your own forces and funds," and "investments in energy may be formed from federal and

local resources and entrepreneurial resources." And finally the categorical: "The coal industry of the Far East is unprofitable, would it not be simpler to move in the direction of its liquidation?" Georgiy Petrovich Kutovoy needs to be given his due, for that matter, for it was felt that at the conference he had for the first time, most likely, reflected on the financial mechanism of the salvation and development of the catastrophic Far East power engineering and was strenuously attempting to find it. It was with good reason that during discussion of the conference's recommendations the proposition concerning the creation of some financial pool of foreign firms appeared. The conference leaders proceeded here from the report of the representative of the Canadian AECL Candium, the third expansionist of nuclear power engineering in the world after Westinghouse and General Electric, who, in particular, spoke about his firm's practice of composing such a pool for the construction of its own nuclear power stations. That is, all this ultimately resembled a learned discussion by the side of someone dying of hunger—of how to feed him more rationally.

So this, let us say conditionally, is Moscow's position.

Another position was manifested in the speech of Yu.D. Basharov, general director of the Dalenergo Stock Company.

In compressed form it may be reduced to the following.

Every cloud has, as they say, a silver lining. The decline in production caused by the crisis state of the Far East economy has made it possible to smooth over considerably the crisis of current energy capacity. Together with production there has been a decline also in the demand for electric power, and we can even speak of a certain reserve today. The problem of the nonpayments and the problem of reconstruction and modernization and simply of current and seasonal maintenance of the heat and electric power plants are another matter. All this is undoubtedly having a serious effect on current energy consumption and affords no grounds for hoping for some development. Meanwhile the Dalenergo has big potential for an increase in capacity thanks to both the reconstruction of the state regional power stations and the heat and electric power plants and the introduction of new units at the Maritime State Regional Power Station, say, and the commissioning, finally, of the Ussuriysk Heat and Electric Power Plant. Whence the creation of a temporary reserve thanks to an external energy source, thanks to the accelerated completion of the construction of the Bureyskaya Hydroelectric Power Station, say. This would make it possible to develop the power engineering of the Maritime region up to the year 2010 at least by the use of traditional resources. As far as nuclear power engineering is concerned, the time for actual discussion of this lies beyond this time threshold.

As we can see, this is a distinctly expressed departmental view. It is specific, it is interesting—I will say frankly that I found it interesting to listen to Yuriy Dmitriyevich Basharov—but it is confined not even to the framework

but rather to the day-to-day concerns of one department, one large production structure. And how could it be otherwise? The same G.P. Kutovoy observed at this point at the conference that, immediately following his report, the leader of Dalenergo would be flying to Moscow to shake loose some money yet again.

It occurred to me here that, granted all the abstractness of the Moscow authorities from the actual interests of the territories and local production structures and granted all the pragmatic and down-to-earth nature of the interests of these latter, they have something in common, which at times binds them very tightly. What they have in common are handouts from the federal budget. It seems to me at times that the Moscow authorities go no further than general notions concerning the territories merely in order to have the opportunity to toss the beggar from the provinces a dime. Ignorance is bliss. And is it not better to know less in order to have the opportunity to direct the country in general?

Finally, the third viewpoint, although their number is quite arbitrary. The viewpoint of practical economists and the scientists in service of practical work.

The Maritime region—read: the Far East—is in the grip of the same economic crisis as the whole country. Today it is being felt more keenly than throughout the country owing to the region's ever increasing isolation from the country's economy. The Far East is being strangled by the current railroad tariffs and, owing to this, in particular, by the colossal expenditure on energy. Yet the region, the Maritime region in particular, performs an exceptionally important geopolitical function for the country, primarily as its channel to the rapidly developing Asia-Pacific region and as its defense outpost. Because of this, attention to its needs is not condescension to a poor relation. It is, as I have already said, a categorical imperative for the country, whatever the economic state it is in.

It is all these circumstances that dictate the need for federal attention to the region's diminishing power engineering (I heard in the conference lobbies the words: "The Khabarovsk people are devising a plan for shutting down energy sources"; however preposterous this sounds, these words corresponded directly, as we say nowadays, with the dispiriting information that was adduced at this time). Such means of the creation of investment mechanisms as the formation of inter-district associations or the proper removal on the strength of firm commitments of money from the population were adduced also, for that matter. But these are, perhaps, some palliatives rather or even methods of self-reassurance.

The dramatic character of the situation is, further—I quote here the viewpoint of Candidate of Sciences V.S. Turetskiy, the leading specialist in the Far East on the economic problems of power engineering—the fact that in the next two or three years even the Russian Far East and, together with it, Russia also could be deprived of

the said geopolitical and geostrategic location—only in the Asia-Pacific region now. We are talking about a railroad parallel to the Trans-Siberian Railroad via Mongolia and China. No great explanations are needed here....

It is in this connection that we need to boost the traditional—coal-based—power engineering. It is for this reason that we need to recover gas from the Sakhalin shelf more quickly, even if it does not come to the Maritime region. It is on the basis of the country's interests that we should be thinking about nuclear energy not "after everything else" but on a par with everything else. As the same V.S. Turetskiy said: "A great deal has been done to first confuse and then jettison the question of nuclear power engineering in the Far East."

So what, then, is the position concerning nuclear energy proper, on whose role the conference assembled in Vladivostok was to have made a judgment?

As may be understood from what has been said, the problems of this type of power engineering proper have to a considerable extent been screened by economic and even financial problems. But this also is natural for today's state of our economy. Nonetheless....

I shall begin with the recommendations of the conference, fragments of which were heard at its final session. To begin the construction of a nuclear power station of VVER-640 average capacity in Khabarovsk Kray at the turn of the century, and in Maritime Kray, in the year 2005. To begin work on small-scale nuclear energy sources as of 1995.

These recommendations no doubt require some explanation. It should be recalled primarily that work on pre-planning surveys for the construction of the nuclear power stations began in the Far East back in 1989. Boards of directors were formed in Khabarovsk and Maritime Krays. The Khabarovsk board has been relatively successful in reaching by this time a level of readiness of the feasibility study, which is the direct basis for planning. Because of the career or simply irresponsible actions of certain so-called environmentalists and certain politicians, the Maritime region lost its board four years ago and, consequently, lost time, money, and much else. Even if it is included in the special government program for the development of nuclear power engineering and has reconstituted the board of directors, it could complete the compilation of the feasibility study only in two years, perhaps; the stream of federal funding is becoming increasingly shallow.

But the conference recognized, nonetheless, that nuclear stations are needed not later but immediately, as soon as actual circumstances allow.

It is the actual circumstances, incidentally, that not simply allow but dictate nuclear power engineering on Chukotka. It is that same power engineering, work on which it was recommended that a start be made in 1995

in the Maritime region also. The announcement of representatives of the Moscow "Small-Scale Power Engineering" NPP that a feasibility study on the construction in Chukotka of a network of eight nuclear stations capable, operating autonomously, of supplying all of Chukotka with energy had already been drawn up came as a revelation for many people at the conference. I will not go into details but the stations are comparatively inexpensive, economical, and easy to operate and could be commissioned relatively quickly.

It should be recalled here that last year Chukotka was practically without coal, and this situation could be repeated this year also. No, the nuclear stations are not the whim of some high-intellect grease monkeys—it is simply that under current conditions, until mankind has come up with something better, this is a solution for it in the business of providing energy and, consequently, comfortable living conditions to a greater or lesser extent. Chukotka cannot today, perhaps, speak of any comfort at all. We Maritime region people, with a level of comfort considerably lower than in many countries of Southeast Asia even, could be deprived even of this unless we finally conceive in a package, in the interconnections and mutual contradictions, of a program of our own energy survival and development.

I could be asked: What about the environment, what about, simply, the safety of these nuclear power stations and nuclear thermal power plants of yours? I would only say in response that the Japanese, who today have 48 nuclear reactors and who are building two new-generation nuclear power stations, the only ones in the world, believe that the problems of safety and the problems of ecological cleanliness should be put before problems of economic necessity and financial advantage. This, in fact, is what is believed throughout the world. And we should learn such an approach, to an even greater extent, perhaps. Ultimately we should be sufficiently civilized to be able to work with such equipment, with such technology, under our conditions.

I would like in this connection to quote words from the report of Doctor of Sciences G.Ya. Voloshin (Russian Academy of Sciences Far East Department TOI [expansion unidentified]) and Candidate of Sciences G.A. Lipatnikov (Board of Directors of the Maritime Nuclear Power Station): "Not one scientifically substantiated argument completely ruling out the construction of a nuclear power station has been presented as yet. Merely an opinion on the unique character of the nature of the Maritime region has been expressed.... Consequently, in connection with the uniqueness of the nature the construction and operation on the territory of the Maritime region of large-scale industrial facilities, nuclear power stations included, must satisfy particular conditions, which we should formulate as special technical requirements and then evaluate their practicability against the current economic and technological potential of Russia."

And that, perhaps, sums it up. We should, perhaps, report the comment of Doctor of Sciences Belyayev, a Nizhegorod developer of nuclear power stations: The AST (nuclear thermal power plant)-500 project has been developed in Russia and has passed every conceivable international expert evaluation. It is recognized as the safest in the world. Dr. Belyayev announced in addition that, according to his information and experience, there is an acute shortage of heating in Vladivostok.

Problem of Political Apathy in Regions Viewed

954F0077B Moscow ROSSIYSKIYE VESTI in Russian
13 Oct 94 p 1

[Article by L. Tsukanova: "Who Will Wake Up the Regions? Political Apathy Is Not Synonymous With Consent"]

[FBIS Translated Text] No matter how hard the irreconcilable opposition attempted to "stir up" the population at the end of September and the beginning of October to engage in loud political action, using for that purpose the first anniversary of the tragic autumn of 1993, it did not succeed. Meetings in Moscow and St. Petersburg took place more or less noticeably, and then due only to television coverage. The provinces responded with a few meetings and picket lines, which differed little in their composition from the usual "protest actions."

Analytical pieces about the state of political activity of the population in the Russian regions are full of names like Anpilov, Zyuganov, Rutskoy, and Zhirinovskiy, as well as the names of deputies of the State Duma from the opposition and the names of communist and national-patriotic organizations. They joined together in working the provinces: Signatures are being gathered in almost all of the local "capitals" for early presidential elections. District, city, and oblast party organizations are being created; city committees of the Communist Party of the Russian Federation have no any trouble finding accommodations; local papers are competing to see which one can express itself more strongly regarding the federal authorities. The most typical information on democratic organizations sounds approximately as follows: Widely scattered and small in number, the organizations of the democratic ilk show no activity; destructive tendencies are developing in the democratic movement.

Thus far, the communists are joining together with patriots throughout the big country of Russia and altering their tactics from those of speeches on the squares and shifting to everyday party work "in the labor collectives" and "at places of residence," while taking over the worker and trade union movement, and skillfully channeling the anger of MMM and RDS shareholders. The democrats are actively discussing unification. The more they talk, the greater the split: Gaydar's party is separating from the Russia's Choice movement; Fedorov's liberal democrats are clarifying their relationship with Gaydar and his team; yesterday's liberals are reviving the social-democratic idea, as if forgetting that

our voters do not vote (or avoid voting) for names of organizations, but for people represented by these organizational names. The result is that so far the Moscow democrats have been trying to decide whether they should continue supporting Yeltsin further or join the opposition, while inside the local democratic organizations, which are already demoralized after December 1993, they are tortuously deciding who they should join: either Ponamarev with his modified DemRossiya; Gaydar, and to which Gaydar—with the party or with the movement; Fedorov, Popov, and Yakovlev, who, on the one hand, are still the RMDR [Russian Movement for Democratic Reforms], while on the other hand, they are already unified social democrats? Under such circumstances, what kind of work can be done among the masses, how is it possible to work on the press, find out who is who at the present time?

If one realizes that elections start not two months before the voting, but right now, it is possible to assume with a degree of alarm that the democrats are already, at present, losing the 1995-1996 election campaign. Summaries such as "the activity of the population is low," and "the actions of the opposition find no widespread response" must not lull anyone into complacency. "The people are silent" not because "the irreconcilable ones" are working poorly; they work well, and certainly not thanks to the democrats, who are calling for harmony. If anyone deserves credit for the fact that with shrinking production and growing unemployment, people are not taking to the streets, it is not the political leaders, but the people, who prefer to suffer and keep hoping rather than raise the amount of risk.

Elections to oblast and kray legislative assemblies indicate that it is not the politicians who are now being trusted more, but people who have something more than just words: either money or power. It is somewhat premature to be satisfied with that, since money all too often "smells," and power, as before, tends to be kind to the population only during the election campaign. But for many that is better for a simple reason—a bird in hand is worth two in the bush.

The political apathy of the population, however, is deceptive. Perhaps a poor opposition may not seduce more people into a struggle against the regime. But the democrat "call of the crane" is already coming from far beyond the horizon and its very faint sound will hardly awaken popular enthusiasm, even if, closer to the elections, it should start circling directly overhead.

Ecological Effects of Chuvash Hydroelectric Project Deplored

954Q0041A Moscow PRAVDA in Russian 19 Oct 94 p 3

[Article by Sergey Golubchikov (Chuvashia—Mari El): "Almost the Chuvash Archipelago; Why Fertile Lands Are Being Flooded"]

[FBIS Translated Text] The amount allocated to Chuvashia from the state budget for the development of the

oil industry this year was 28 billion rubles. This would seem to be a good thing for the Volga republic. The growth of oil production and refining should bring about economic recovery, and then the unemployed can return to their jobs.

It turns out, however, that it is not that simple. There has never been an oil industry in Chuvashia. The closest reserves of "black gold" are in neighboring Tataria. The republic has no experience in oil production, and it does not have the necessary personnel and institutions. The new, far from environmentally acceptable branch of the economy will have to be founded on the ruins of heavy machine building. Most of the enterprises in Chuvashia are working at half of their capacity. The largest plant in the republic capital, the Cheboksary Industrial Tractor Plant, produced only 70 heavy-duty vehicles in the last year. It is more convenient for Russia to buy heavy "caterpillars" overseas and establish energy-intensive, resource-processing branches of the economy at home, slowly turning itself into a raw material appendage of its overseas neighbor.

The new petroleum refining network will require energy, and in substantial quantities. Where will it come from? From Mother Volga, of course, which has been fettered by 11 thrombotic reservoirs, which have flooded the best bottom lands in Russia, and by hydroelectric power stations (GES's) producing less than 3 percent of all the energy used in the CIS countries.

The Cheboksary GES, built in 1980, is now working at half of its capacity: Public protests prevented the latest planned rise in the level of the Cheboksary reservoir, but today the power plant designers have their eyes on the GES again. Raising the level of the reservoir to 5 meters above the present 63-meter mark would not only increase the output of electrical power, most of which "leaks" out of the republic, but would also "feed" the future oil industry in Chuvashia. It would also satisfy the needs of the Volga Shipping Line, which hopes to raise the water in the Volga reservoirs even more and to use heavy-freight ships of the "river-sea" class there. The environmental damage that has been inflicted not only on Chuvashia, but also on the neighboring Republic of Mari El, one-third of the territory of which has already been flooded and submerged by the reservoir, has not been taken into account by these designers yet. The future of the Cheboksary reservoir was the topic of an international environmental conference in Cheboksary in September.

What kind of real environmental and economic damages did Chuvashia, the Mari Republic, and Nizhniy Novgorod Oblast suffer when the reservoir was raised to 63 meters? Around 110,000 hectares of valuable bottom land were flooded, and raising the reservoir another 5 meters would double this area and would submerge another 16 percent of the territory of Mari El.

Mari El has already lost 37 populated communities, 73 architectural monuments, and 76 historical monuments

under the water. The capital of Chuvashia has also suffered: The 6-meter concrete embankment, which was built for a reservoir of 68 meters, was supposed to protect the city from the Volga. The lowest part of Cheboksary, the historical district, has been flooded, the first floor of the Church of the Assumption is surrounded by concrete, and the Dramatic Theater is submerged. The reservoir's effects are now extending up the Volga all the way to Nizhniy Novgorod, where part of the sewer system is already submerged in the ground water that has seeped into the cellars and basements of residential buildings. In all, 25,000 hectares in Nizhniy Novgorod Oblast have been flooded by the gigantic thrombus. Raising the level to 68 meters will obliterate another 54,000 hectares of the most fertile land. The oblast can now claim its first group of ecological refugees: 2,700 families were resettled in connection with the reservoir project, and five populated communities were submerged. The oblast lost 35,000 tonnes of agricultural produce in just the past year. Agricultural losses are even greater in the Mari Republic, where spring crops, according to Deputy Minister of Ecology A. Avtonomov, failed to ripen properly on almost one-third of its agricultural land. The reason is the change in the republic microclimate. The huge reservoir cooled down the climate and shortened the vegetative period in the coastal zone by 5-10 days.

The banks of the reservoir are severely damaged. Only 10 percent of the banks have been reinforced, but landslides and cave-ins have destroyed a third of the coastline, and it is advancing on the banks at a rate of 0.5-2.3 meters a year.

In the city of Kosmodemyansk, 938 families already have to be relocated, reeds are now growing instead of potatoes on the city's 600 farmsteads flooded by the reservoir, and more than 50,000 hectares of woodland in Mari El are infected by root fungus, one of the most serious threats to the world's coniferous forests. According to Professor I. Alekseyev from the Forestry and Forest Protection Department of the Mari Polytechnical Institute, there were no signs at all of this disease in the republic until the reservoir was filled. "The annual losses incurred by agriculture and forestry in Mari El because of the reservoir exceed 13 billion rubles in 1994 prices. Whereas the republic once exported timber, now it has to import 700,000 cubic meters of wood a year from Siberia and the Far East.... Land, which produces so much good, has always been and will always be of greater economic and ecological value than water without land. The whole civilized world knows this. The Dutch wrested half of their territory from the very sea we are rushing into," Ivan Alekseyevich said in a caustic tone.

The cascade of Volga reservoirs has given rise to a cascade of problems. The flow of water into the Volga from small rivers has been reduced by a third, and the water in the Volga itself has been reduced by 35 cubic kilometers. The anthropogenic pressure on the great Russian river has increased eightfold, and the average

water intake figure is four times as high as the river's own capacity. According to Professor S. Budkov from Ulyanovsk Pedagogical University, 8 million hectares were damaged by water and wind erosion in the last decade. The catch of fish decreased from 281,000 tonnes in 1954 to 75,000 in 1987. All of this damage was inflicted for the production of only 2 percent of all of the electrical power in the former USSR in 1987! The nearsightedness of our hydroelectric plant designers is simply shocking. The Tsimlyansk reservoir flooded 270,000 hectares of the most fertile chernozems, for example, but the GES there produces only 670 million kilowatts of electricity a year. The Volgograd GES, which took up almost the same area with its reservoir (250,000 hectares), generates 30 times as much power as the Tsimlyansk GES. According to the estimates of A. Tregubov, an expert from the Public Committee To Save the Volga, the value of the land submerged by the Tsimlyansk reservoir exceeds 2.5 billion dollars, and draining the reservoir would cost the treasury only 200 million dollars. This is something to consider.

Yes, we have to agree with Aleksandr Solzhenitsyn, who called our reservoirs "moldervoirs," and our giant electric power plants "generators of disaster and misery." The writer concluded that "only suicidal people flood their own forests and their own land." Suicidal people are not building the reservoirs; the reservoirs were designed by people who live far away from them—in Moscow, for example—and the unlucky natives are the ones who have to suffer.

Nizhniy Novgorod Sociologists Study Social Mobility

954F0089A *Nizhniy Novgorod NIZHEGORODSKIY RABOCHIIY in Russian 20 Sep 94 p 7*

[Article by S. Balabanov, chief of the Nizhniy Novgorod Department of RAN [Russian Academy of Sciences] IS [Institute of Slavic Studies], candidate of philological sciences, under rubric "A Sociologist's Notes": "Social Mobility of Inhabitants of Nizhniy Novgorod"]

[FBIS Translated Text] You will encounter few people whose social situation has not changed during the past 5-6 years. Even if we ourselves have not changed, life has changed beyond the threshold of our apartment and we already occupy a different niche or pigeonhole, or there has been a change in our status, prestige... From a sociological point of view, in a socially nonhomogeneous society a person's entire life is the constant struggle to preserve (maintain) one's status or attempts to rise on the social ladder. Are the people of Nizhniy Novgorod succeeding in doing so?

It can be seen by the unaided eye that the social boundaries of the former Soviet society have shifted substantially. Quite recently we were an almost homogeneous society. Whether you worked feverishly from dawn to dusk or simply spat at the ceiling, whether you are a fool

or a wise person, a man or a woman, a petty chief or a subordinate—none of this had much effect on your wages, your way of life, the structure of consumption, or your social position. Most people (but not 100 percent) were serfs belonging to the state, lived in identical *Khrushchevskas* [play on words, with *trushchoba*, "slums"], drank one and same kind of vodka and ate the same sausage that was issued by ration coupons. People studied according to the same curricula, voted for one candidate, belonged to one party, and almost no one believed in God.

We lived, figuratively speaking, in a not very big aquarium, and actually swam in one and the same stratum. The difference between the top and the bottom of the aquarium was small, as was the distance between people. The state, carrying out the policy of building a socially homogeneous society, kept a strict watch on the distribution of material blessings, and fattened up its subjects appropriately. Those who swam in the highest strata—servants of the nation—naturally got more. There was no reason for people to strain themselves: the framework of their existence was rigidly limited to the walls of the aquarium. Most citizens actually felt that they were equal to one another, and there was no sensation of social inequality. Social envy did occur, but it did not determine people's behavior.

Not everyone liked the equality of poverty or the lack of freedoms, but for the population it was comforting to know that the situation was no better for everyone else.

These are not speculations. As long ago as 1988, 71 percent of the inhabitants of Nizhniy Novgorod considered themselves to belong to the average stratum of society; 11 percent identified themselves as belonging to higher strata; and 18 percent, to the lowest ones.

But then the totalitarian society collapsed, the aquarium began to leak, and little by little we (many not by our own volition) proved to be free—in new social space with peaks beyond the clouds and with great depths.

How quickly our life changed and how quickly its rate quickened! In recent years we celebrated City Days in a new state, with another government, with a different social system, with new city heads. What did we see beyond the aquarium walls? Economic and ecological crisis, the increase in crime, drunkenness, and the moral degradation of society, the drop in the standard of living, the reduction of life, and many other things that "blow your mind." How pleasant it is, when becoming acquainted with information provided by a public opinion poll, to be convinced that you are not the only person for whom problems of surviving in this new world have arisen.

The social structure of society in Nizhniy Novgorod began to change and, according to historical measuring sticks, to change at a headlong rate. The leading tendency is the intensification of social inequality and social nonhomogeneity. Since 1988 the share of the inhabitants of Nizhniy Novgorod who consider themselves to belong to the medium stratum has dropped by 25 percent!

Stratal Structure of the City's Population, in Percentages

Strata	1988	1993	1994		
			February	July	August
highest stratum	1	1	2	3	3
stratum higher than middle	10	10	8	7	8
middle stratum	71	53	38	44	46
stratum lower than middle	14	25	26	30	28
lowest stratum	4	11	26	16	16

The size of the strata higher than the middle stratum remained almost unchanged—the highest strata possess sufficient power, money, and experience, first of all, to stay on top, and, secondly, to prevent representatives of the other strata from getting to the top, to the levers of power, privileges, and the trough. In Russia as a whole the political elite has been renewed by no more than one-third.

On the other hand, the strata below the middle stratum and the lower one cheerfully take into their embrace absolutely all unfortunate individuals indiscriminately. And there are a very large number of such unfortunates, who have not yet been able to adapt in the market society. Russia is once again surprising the planet by presenting to its view the world's best-educated "social dregs." The "dregs" that exist in any society (the homeless, prostitutes, drug addicts, and alcoholics) now

include pensioners, families with a large number of children, the disabled, teachers, scientific workers, the unemployed...

The social stratification of the population and the thickening of the base of the pyramid are threatening the stability of society. The equality of poverty is something that was customary for Soviet people, but when, right next to them, other people flaunt their wealth, this causes an aggravated sense of social injustice. The highest strata (the richest people) are like a red flag in the eyes of the absolute majority of the population. They are envied and they are hated, so a social conflict arises. Especially since a minimum of one-third of the city dwellers feel that that wealth, in principle, was illegally obtained, or stolen, and the slogan "Pillage what was pillaged" or "The expropriation of the expropriator" can even have moral justification among some of the population.

In a "normal" society the status of people and social groups in society is determined by the total set of various attributes, the chief ones of which include wealth, prestige, and power. Currently, there is one component that dominates in the mass consciousness, and especially in the consciousness of youth (which has not undergone the process of Communist toughening), and that component is wealth. Moral and civic qualities, intellect, professionalism, and other "nonmarket" merits are only of tertiary importance. The one-dimensional viewing of a person through the prism of his wallet is dangerous and pernicious.

It is ridiculous when, on the scale of prestige of various professions, as rated by young people in grade 11, a racketeer occupies sixth place, a prostitute thirteenth place, and she is followed by a dozen of mass blue-collar occupations, which are in turn followed by a list of the most unprestigious ones—nurse, librarian, and department store stockboy.

The social distance between people has increased. There is a tremendous distance between the city's elite and the "dregs of society." Public opinion places on the social Olympus the highest officials, directors of major enterprises, the Nizhny Novgorod billionaires, and the especially large-scale swindlers and leaders of organized crime. The lowest ratings of social status are given to petty swindlers, bums, beatniks, the poor, the unemployed, and people like that.

All the strata of the population in Nizhny Novgorod are in movement, seeking a new place in the social structure of a society that is being transformed.

The working class is changing its social status at a headlong rate. Forty percent of workers call it a low status, and 10 percent a high one. Decreasing mobility is typical of the intellectual class, both those in the technical fields and those in the humanities. Retiring on a pension is always accompanied by a certain loss of one's position in society, but two-thirds of those who retired on a pension during the period of regeneration-degeneration of Russia rate their status at an extremely low level and consider themselves to have been tossed out of society.

The social groups that have reinforced their high position in society include the managers at various levels. As compared with 1988, students in the higher classes of secondary school and in institutions of higher learning rate their own status slightly higher. We might note that children become aware very early of where they fit on the social scale, and that circumstance definitely does not help to develop the capabilities of teenagers and young men and women.

The only social group that is characterized by increasing mobility is the entrepreneurs. Numerically this group is still small, but its representatives know their value: 54 percent of the new businessmen consider themselves to

be in control of their life and belong, in their opinion, to the highest strata of society in Nizhny Novgorod.

ECONOMIC & SOCIAL AFFAIRS

Administrator of Presidential Program Center on Socioeconomic Issues

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10-16 Oct 94 pp 10-11

[Interview with Nikolay Grigoryevich Malyshev, adviser to RF [Russian Federation] president on scientific affairs and higher education, administrator of Presidential Program Center, and corresponding member of Russian Academy of Sciences, by Antonina Galayeva; date and place not given: "A Corner of the Market Where We Are Superior to Others"]

[FBIS Translated Text] Professor Nikolay Grigoryevich Malyshev graduated from the Taganrog Radio Engineering Institute and then became its rector. Later he served as deputy chairman of the RSFSR Council of Ministers, chairman of the State Committee of the RSFSR for Scientific Affairs and Higher Education, and a member of the republic Scientific-Technical Council on the Use of Computer Technology in Russia. His main fields of research have been the theoretical bases of complex data processing systems and the mathematical modeling of production control systems and automated project planning systems. His main scientific works include "The Fundamentals of the Optimal Control of Automated Project Planning Processes" (Moscow, 1990), "Uneven Models for Expert Automated Project Planning Systems" (Moscow, 1991), "A Program for the Widespread Use of Computer Technology in Russia" (Moscow, 1991), and others.

[Galayeva] The grim realities of our life today include the relocation of our intellectual resources abroad, the erosion of our scientific, military-technical, and technological potential, the loss of our scientific points of reference....

[Malyshev] The decline of our science did not begin yesterday or today. It began when the country was surrounded by three rows of barbed wire, when we closed ourselves off from the rest of the world and were actively involved in escalating the "cold war." We were all hostages of the military-industrial complex. For many decades the best sons of our fatherland and our superior intellectual potential worked mainly on the development of weapons. Today our military doctrine has changed—and we all wanted this to happen and longed for democracy, glasnost, freedom, and a completely different kind of life—and the result is that the colossal scientific and technical potential that accumulated in military-strategic fields is virtually useless. I will not discuss the economic

problems of the country. This is a separate, extremely serious topic. I am speaking now of the people who got an education and then used up all of their energy and let all of their brainpower be consumed in the arduous work of defending the country. After all, only 10-15 percent of our scientists were working in nonmilitary fields of science, while the other 85-90 percent were sweating over the development of new materials, the synthesis of new chemicals, the design of state-of-the-art radioelectronics for military needs, and so forth. In fact, our personnel training was geared primarily to the military sector.

The present conversion of the military industry, however disorganized and chaotic it may appear, is certainly affecting the intellectual elite in our society. Now that most of our population is living in poverty, possibly because we have been too slow in the restructuring of industry, the correct organization of investment processes, the attraction of capital, and the resolution of property issues in more civilized ways, our scientists and artists are, as always, the most vulnerable and distressed members of our society. After all, the creative individual has nothing but his intellect. Those who chose to emigrate, however, are also suffering. I have met many of our countrymen abroad. I cannot say that all of them are experiencing difficulties, but there is no question that they are living there as intellectual slaves. In terms of intellectual capacity, the Russian scientist is often far superior to specialists from other countries. If his mind is not appreciated here, he will leave, and I feel that this is tragic. Anyone who has work to do at home, in his motherland, will stay at home to do this work. If there is no work at home, going to another country in search of work is not considered shameful in any part of the world: There are Americans in Japan, Germans in India, and Chinese in America. There is nothing wrong with people working in other countries: They will come back home when there is work to do.

Everything depends on the social requirements of the society. If the state's need for education and science is not the same as it was during the years of nuclear confrontation, we cannot force people to do unnecessary work. Approximately three-fifths of our scientists were working on specific projects in design bureaus, technological laboratories, and sectorial experimental subdivisions. Now that the plants are standing idle, what are the designers and scientists who developed the missiles, radars, and all the rest to do? Until we restructure industry and choose our main fields of effort and our priorities, we are unlikely to get all of our elite back.

[Galayeva] Which stage are we going through now?

[Malyshev] It is extremely difficult to rid our minds of the past, including the minds of administrators. When the country was cut off from all of its neighbors, we felt that we had to make everything ourselves—from missiles to screws. By working in this way, we exhausted the country and threw all of our natural resources into the

struggle to maintain parity with the Western countries. Meanwhile, the West was developing, using division of labor and every possible form of interaction in the world economy. The Americans invented television sets and tape recorders, after all, but they have virtually stopped manufacturing them. It turned out that the Japanese and Koreans make better ones. The Americans, on the other hand, are making new microelectronic chips, have raised biotechnology to the highest possible level.... By the same token, Japan does not build airplanes. Not because it is incapable of doing this, but because the Americans do it better. Now that we have become an open country, we have to join the world system of division of labor. Otherwise, we will simply expire. This is why we have to choose our priorities. Apparently, the time has come to set these priorities and occupy our own corners of the market. Incidentally, there are not that many left. While we were producing goods for ourselves and consuming everything we produced, the whole world was working on the improvement of standards and quality and the enhancement of labor productivity.

[Galayeva] Which corners could we occupy with the remainder of our dignity? Which are the fields that require the kind of important scientific work we know how to do?

[Malyshev] Do you want some examples? I will give you some. Our energy expenditures per unit of standard product are three times as high as in the United States, and our labor productivity is only one-fifth as high as in Japan. If we were seriously setting national priorities, I would single out the infrastructural elements of our development and energy conservation—there is a whole sea of work to be done here: the incorporation of new technologies, the enhancement of labor productivity, the resolution of ecological problems, and the improvement of the things we can do better than anyone else....

[Galayeva] What is it that we can do better than anyone else?

[Malyshev] The surface skimmer is a good example. This is our invention. The surface-effect vehicle is the transportation of the future. I am certain that in about 50 years there will be no more slow-moving tankers, dry-cargo ships, and diesel boats. The surface skimmer is already capable of carrying 500-600 passengers and flying at an altitude of 10 meters at speeds of 500-600 kilometers per hour—mainly over water, but also over land if necessary. We have many such achievements to our credit, but choosing our priorities is only half the battle. The main thing is to restructure industry, retrain people, and establish the necessary conditions for investments in these fields. That is what the government should be doing today, but we are sticking to our old habits, without being able to even collect taxes from the outlying territories, to put together some kind of meager budget and distribute a few crumbs to everyone. We are still financing everyone in the hope of averting riots.

I see only one way of introducing science into the market, but first I have to say this: For a long time we

tried to act on a combination of two financing principles—on the one hand, we spent money on special programs (space, nuclear power engineering, and others), and on the other we allowed ourselves to pay for mere showcases. There was one institute, founded long, long ago, with a thousand scientific associates. We believed that they had to be provided with work and paid a salary. We had dozens of design bureaus in the aviation industry alone, but just take a look at the kind of planes we have. The TU-154, the plane used most widely in civil aviation, became shabby and obsolete long ago. We cannot get the TU-204 off the ground. We cannot keep our planes from crashing. All of the planes in the country are too old: 6,000 of the 8,500 should be cut up for scrap. We still have not designed a plane that can compete with the Boeing or the European airbus, with the exception of our IL-96M.

The problem does not lie in our scientific and technical potential: We have the potential to design a suitable plane. The obstacles we do have to surmount are departmental distinctions, certain ambitions, and the colossal lobbying efforts of various entities. They are impediments. The social problems in our country are so acute, however, that one tug on the string immediately tightens the whole knot.

[Galayeva] What can we do?

[Malyshev] I think we should start by taking inventory, conducting a thorough and serious analysis of what we do have, and then make the final decision on the commodities we can produce in our present situation. With these commodities, we can occupy and develop our corner of the world market and the domestic market. Then we can direct investments into that corner and create new jobs and the proper conditions there for our scientific personnel who are capable of quickly developing new technologies, mastering new types of production, and putting a new, competitive product on the market. You mentioned our colossal scientific potential. In principle, I agree, but a look at the structure of our exports reveals that high-technology products represent less than 1 percent, and the products of machine building represent less than 3 percent of the total. That is what makes us ask: If we are so smart, why are we so poor? It is true that we have colossal potential and the necessary conditions, but what have we done with them? We have essentially stopped producing radioelectronics: Our products cannot even compete with their Chinese counterparts.

[Galayeva] Why not?

[Malyshev] For the simple reason that the military industry concentrated on producing just a few extremely expensive items, and mass production is more likely to concentrate on many extremely inexpensive items. It is a completely different mentality! A huge plant with 20,000 workers, including many scientists, produced from three to five radar stations a year, for example, but a move to the production of television sets like the Sony or Toshiba

models would entail the retraining of our personnel, the development of new chips, the modification of technology for the production of cathode-ray tubes, the institution of automation and strict quality control...

[Galayeva] ...and this would require tremendous amounts of money and time, and we are not prepared for this....

[Malyshev] That means we have to consider our options. It might be simpler to form a joint venture with the Koreans and finally begin producing something in demand, instead of striking an ambitious pose while we are standing in mud up to our knees. We cannot waste any more time on drivel and political games. We have to restructure industry and change our export-import and investment policies and standards.... Our standards were always adapted to production possibilities, and not to the needs of the market. That is why they did not correspond to any quality standards. We have to change everything: our equipment, technology, and machine tools, and the skills of our workers. These skills, incidentally, are two or three levels lower in industry than they were a few years ago, but raising them will require billions for training and will also take a long time.

[Galayeva] You have combined everything in such a tight knot that you will never be able to undo it.

[Malyshev] I would venture to say that we cannot waste any more time undoing it.

[Galayeva] Should we just hack our way through it?

[Malyshev] That is all we can do now, because we have no time to unravel each separate thread. The oil and gas pipeline is keeping us alive. We are as dependent on it as an addict is on his needle. If this "narcotic" were taken away from us now, our society simply could not survive the withdrawal pains!

[Galayeva] Once again, it turns out that we have to put all of our hope in our scientists. Maybe they will think of something, as they did at other crucial times in our history.

[Malyshev] The whole problem is that many scientists do not know what they should do; they do not realize what they have to do. Our geopolitical interests, after all, have not even been defined yet. What kind of weapons should we be producing, with whom should we be competing, and what should we be doing in space?... If the territorial-administrative structure of the country has not even been defined yet and interethnic conflicts are raging, how can we know exactly who our suppliers and consumers will be? If prices keep soaring, how should the production process be organized from the beginning to the finished product? How can it be planned? I do not know of a single country without some form of planning.

[Galayeva] Did I hear you say "planning"? It seems to me that we denounced it; we condemned it....

[Malyshev] Not at all. It was simply that we could not, or did not want to, do this under the new market conditions. Meanwhile, all of the cataclysms resulted in a completely different country. How will the planning be carried out? With the aid of technology. Planning includes the coordination of separate enterprises to form a single chain for the production of the final product. As long as technological requirements are met, the plan is carried out. We could draw up just any old plan, but it would be useless. The problem of intersectorial balances is a good example. We are making every effort, for instance, to grow as much grain as possible. Do Kazakhstan and Ukraine no longer exist? Does Kazakhstan have no need for Russian metal?...

[Galayeva] There was interaction in the past....

[Malyshev] Today intersectorial balances are being ignored, and we have almost no market at all, except for the one that existed within the confines of CEMA [Council for Mutual Economic Assistance]. No one will let us into the world markets with our products. For a long time we will have to rely primarily on the domestic consumer of the goods we produce. That is why the republics of the former union cannot live without one another.

[Galayeva] But we allowed ourselves the luxury of opening up our borders and letting consumer goods from all over the world into our country. Hundreds of our textile enterprises immediately folded. They could not compete with the Chinese: Their textiles are much cheaper. What would you advise the workers of those enterprises to do?

[Malyshev] That is a question our scientists should answer. We have many scientific communities. They have been silent. They are waiting for someone to show them the way, but they should be working instead of waiting. If they took the mountain of economic problems by brainstorm, they could suggest ways of solving these problems to the government, including the problem of textiles and textile workers. I agree that our intellectual potential has to be saved. I do not know of any other country that would waste its scientists and specialists in the way we have. The Russian Academy of Sciences should be playing a bigger role than ever before in the management of the country, the national economy, and economic processes. It would be impossible for 10 or 12 ministers to suddenly make a huge country run like clockwork. The main thing is the correct choice of priorities. I see no more important undertaking for our scientists and our government than the precise determination of our strong points, so that we will know where we can and should concentrate our scientific, resource, and financial potential.

[Galayeva] What about the lobbies?

[Malyshev] If the priorities are approved, lobbying will adapt to them.

[Galayeva] What about corruption?

[Malyshev] Corruption is not as frightening as lobbying, because corruption affects only a specific group of people. They have taken bribes and will continue to take bribes in any social order. That terrible sectorial lobbying is a different matter! How many torrents of words have we heard, for example, about the advantages of a small and professional army? In spite of this, there have been no perceptible changes.

[Galayeva] Yes, but even the army is made up of people, and usually the best people, the same superior intellectual potential...

[Malyshev] ...and hundreds of highly organized enterprises, and over 30 restricted cities.... I do not support anything that is imposed on people. I think the whole world should pull together and draw up a plan for living, design a planned society. We do draw up the plans for a tractor, for example, or this lighter. Why should we not draw up the plans for an organization or for our life? This kind of planning is a whole separate field of science. It is easy to play at politics, but it is so much more difficult to do the demanding job of daily, painstaking research.

There have been some changes recently. The Presidential Program Center has been established, and it will work with the government to advise the president on the priorities and programs of the greatest social importance. All of this, however, is frequently frustrated either by vigorous lobbying or by other obstacles. Any society, socialist or capitalist, is a society of rules. We can take America as an example: There is the strictest control and accountability there (some people might deny this, but elements of socialism are clearly present in America, Sweden, and Germany: colossal accumulation funds, social consumption funds...), and people there live by the rules. They know exactly what they can and cannot do, and exactly when they can expect punishment. Today we have almost no rules at all.

It is true that we did acquire a landlord—one and only one for the whole country: the State Committee for the Management of State Property. This, however, did not bring about any radical changes in the country. I can judge this by the present situation. I believe in simple criteria: If young and healthy Germans and Americans were eager to come here to open factories and laboratories and to build or renovate something, this would mean that everything had been done right in our country. The reform would have been a success. If not, then I am sorry, but you may as well say goodbye to your friends and relatives who are moving to Canada and Australia.

[Galayeva] Sensible people are watching to see what the government does.

[Malyshev] I do not want to separate the people from the government and the government from the people. It is the latest rage to say that these are the people and those

are their rulers. They, the rulers, did not come from Mars or Brazil. All of them came from here. We elected them ourselves. Take a look at how our people work: This is the second week a work team has been sitting in the hall of our building and has been unable to lay some linoleum. They pound in a couple of nails and then take a break for a couple of hours. Most people are only pretending to work, but they certainly do not forget to exercise their rights. The tragedy here is not in the government. It is in the minds of the people, in the post-Soviet mentality, in the absence of discipline, the lack of fear of losing one's job and incentives, and the absence of punishment. An individual should be afraid of losing his job and his place in life. Until we have an efficiently operating government that is firm and strict—without suppressing the normal freedoms of normal citizens—we cannot make any serious plans. They would be undermined anyway. A government has to show some strength. We have to take a good look at everything we inherited and give up all of the obsolete traditions and precepts. I repeat, the country needs absolute legal and labor discipline. This is the foundation of democracy, and this social discipline begins with technological discipline and order. A combine cannot be assembled, for example, if the suppliers do whatever they want, breaking the technological chain, and have no contact with one another. Normal planning and serious work cannot be replaced by authoritarian methods of control with nothing to back them up. It is an immutable law of physics that every action has an equal reaction. If our reaction is still not strong enough at this stage, we have to assume that the mainspring will still be pressed down full force and will then shatter everything around it when it is released. The Soviet mainspring, with its accumulation of evil and malice, the destruction and death of millions of innocent people, offenses and total injustice, has hit us today with interethnic hostility, the disintegration of a unified nation, and the homeless status of millions of refugees.... I believe that members of the intellectual elite should not be rushing to move abroad and to find comfortable spots in laboratories there, but should remain patriots of their fatherland, mobilize all of their knowledge, skills, and experience, and advise the government and president of the work methods and state structure that will lead the country out of the abyss.

[Galayeva] Why do you say that? We are always talking about our science of economics and about the academicians and professors in that field. Where is it? Where are Bunich, Shatalin, Aganbegyan, Zaslavskaya, Gaydar, and Yavlinskiy?... They have not gone anywhere. Should you be addressing your appeal to a theorist or a physicist?

[Malyshev] Or maybe a theoretical physicist! I firmly believe that only a technocrat who knows the physics of processes, laws, and internal relationships, and who can think in terms of systems, can be a real economist.

[Galayeva] Thank you for the interview.

Lack of Attention to Rising Caspian Sea Level Deplored

954F0119A Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 19 Oct 94 pp 1, 3

[Article by Igor Ognev: "The Caspian Sea Has Long Burst Its Shores, but Experts Still Play Solitaire"]

[FBIS Translated Text] Of course, cholera is a dreadful thing. However, having begun its terrible march from Dagestan, this "drama" drew away attention from another drama, the main characters of which are the Caspian Sea and utter human folly.

As Always, the Roasted Rooster Pecked Late

First, about the Caspian Sea. As is well known in not too wide circles, the sea level suddenly began to rise. This "suddenly" has been dragging on for quite a long time—since 1978. No one thought that the Caspian Sea would play such an insidious joke with us precisely at that time. However, scientists knew that this sea, like, incidentally, all inland reservoirs, was capable of such somersaults. In the last 160 years, when instrumental observations of the Caspian Sea were conducted, its level ranged from minus 25 to minus 29 meters. (I will remind those who have forgotten geography: The Caspian Sea is located below the surface of the World Ocean and, therefore, the sea level mark is denoted by negative values.) In 1930 the Caspian Sea began drying out. Proletarian masses seized with revolutionary enthusiasm followed the retreating sea and built plants and housing units at shock rates in the drying coastal zone.

The reader, surely, has guessed that the author now is acquainting him with the second character of our drama.

And so, in 16 years the level of the Caspian Sea from the mark of minus 29 meters has risen to minus 26.9 meters. The hour of reckoning has arrived.

Scientists' generalizations are as sparse as the front reports of the Soviet Information Bureau. The Russian coastal zone stretches over 700 km along Astrakhan Oblast, Kalmykia, and Dagestan. The sea has already covered or is thawing out territories where more than 130,000 people live and dozens of valuable industrial projects are located.

The Caspian Sea is attacking reservations, shipping and fishway canals, ports, dozens of different-caliber plants, settlements, and cities. The infrastructure is being destroyed everywhere: railroads, motor roads, communication and electric transmission lines, agricultural systems, and vast farming areas. "All living things are dying owing to the rise in heavily mineralized water... Shores, along which settlements are located, are caving in intensively," leaders of Astrakhan Oblast write to Moscow.

This is the panorama. However, a disaster always impresses especially with details. Country churchyards and various dumps and burial grounds for livestock are

under water. Kilometers of sewer and water supply systems have been destroyed. This, in addition to the fact that previously they were also in a deplorable state. Toilets made of boards, which are part and parcel of the wretched Russian way of life, float on water and, pardon me, feces splash at entrances. Scientists warned a long time ago about the danger of occurrence of mass infectious diseases and now it remains only to be amazed at the assurances of Dagestan authorities that, allegedly, the cholera bacillus was not detected in the sea water.

In Makhachkala the sea splashes 10 to 15 meters from a microrayon with a population of about 100,000, which was built about 10 years ago on a section from which the Caspian Sea retreated.

In Kaspiysk, which quite recently was a superclosed city, the sea is advancing on the eye hospital, the boarding house, and, above all, the heat and power station, which also supplies power to Makhachkala.

The people themselves have created the disaster, chief project engineer Yuriy Grebnev from the Production and Scientific Research Institute for Engineering Surveys in Construction of the RF State Committee on Questions of Architecture and Construction, declared to me.

This is how events developed. Prior to 1978 all the forecasts were of a drop in the level of the Caspian Sea, which gave cause to a group of specialists from the former Ministry of Land Reclamation and Water Resources to initiate and then also to push through the scandalously known plan for the diversion of part of the runoff of Siberian rivers to the south. However, what makes the sea change the flow of its waters so unexpectedly? Professor Pavel Kaplin from Moscow State University probably represents one of the leading scientific schools, which knows quite a lot about this sea. He began to study the Caspian Sea 47 years ago as a student at this university. However, more or less confidently scientists mention only one reason for such sea-level variations: the universal warming of the climate. Incidentally, an analogy to the present day was discovered in remote antiquity. It turns out that during the Postglacial Epoch, 6 to 8 millennia ago, as well as during the Mikulino Interglacial Period (120,000 to 130,000 years ago), an increased concentration of carbon dioxide and methane, as well as air moisture, was also in the atmosphere. Under the effect of these factors the level of inland reservoirs in mean earth latitudes, including of the Caspian Sea, also rose.

However, an accurate model of the climate will appear no earlier than the end of the century and only then will it be possible to forecast the behavior of the Caspian Sea more confidently. For now, however, according to Aleksey Ragozin, deputy director of the Production and Scientific Research Institute for Engineering Surveys in Construction, science cannot explain the nature of sea-level variations.

It is obvious that human knowledge always has a limit. However, let us recall that the Caspian Sea began to rise in 1978, but we have become aware of this only now. Why? Probably, this was due to the "Russian" hope for the off-chance. However, specialists with whom I have talked are convinced that the main reason is different. All this time the government has been under the influence of the authors of the absurd project of the century: The same diversion of part of the runoff of Siberian rivers to the south, which has already been mentioned. Proof? Unfortunately, there is more than enough.

Here is a voluminous work under the calm academic title: "Territorial Redistribution of the River Runoff of the European Part of the RSFSR." The following is written black on white on page 5: "The short-term rise in the level of the Caspian Sea during a number of years abounding in water (1978-1985) cannot change the general evaluation of the situation." In the authors' opinion, what was the situation at that time? We read on page 75: "Now the Caspian Sea is retreating in full accordance with the program (not the CPSU?—I.O.) and will be retreating for hundreds of years." I would like to mention that these "scientific" evaluations were written in 1985, when the Caspian Sea had already risen more than 1 meter and was continuing to rise.

To whom are inhabitants of the Caspian Sea indebted for the pleasure they are getting now? Well, all the organizations and persons are familiar! First of all, the Ministry of Land Reclamation and Water Resources, presently existing under the name of Roskomvod, and its scientific research institute. And the following family names: Radkovich, Shiklomanov, and Lvovich. Remember them, reader, we will meet some of them.

However, while these writings appear in a special limited-circulation publication, B. Shumakov, academic secretary of the Department of Hydraulic Engineering and Land Reclamation of the All-Union Academy of Agricultural Sciences, fooled readers in the popular publication of Znaniye Society—"Scientific and Technical Revolution: Problems and Solutions. In the same year of 1985 he wrote the following: "The sea level (this is about the Caspian Sea—I.O.) has been dropping year after year and soon the Volga annually will bring 30 cubic km of water from Pechora there."

Such articles are innumerable.

The wicked statements by "proponents of diversion" had quite practical consequences. These people, despite warnings by sober specialists, advised local authorities to continue construction near the sea without any misgivings. They built a lot...

In this connection Professor Kaplin told me a legend about a certain khan who many centuries ago introduced a simple, but very effective, rule: Anyone who, despite the strictest prohibition, began to run a household on land vacated by the sea inevitably lost his head. There is no denying that this was a barbaric custom, but—well,

who would have thought it possible—it helped. In Derbent throughout its 5,000-year history about 50 homes were in water and two streets were half-destroyed for the first time only during Soviet times.

In turn, Grebnev had a curious dialogue about the Caspian situation with the Americans. Having found out what had happened, they were greatly surprised:

"Why don't they listen to you?"

"Such is the country," Grebnev laughed the matter off.

"However, if you presented a conclusion," his naive colleagues did not stop, "and it was confirmed, but no measures were taken, go to court!"

At this point Grebnev fell silent and looked at me as expressively as, apparently, he had looked at the Americans at that time...

The Sea as a Companion-in-Arms? Why Not?

And so the roasted rooster ruffled its feathers only in September 1991. At that time at its meeting the Committee on Emergency Situations discussed for the first time what to do with the revolting Caspian Sea. It was decided to prepare a technical and economic report by June 1992. A provisional collective highly reputable in its composition, whose nucleus was formed by scientists from Moscow State University, was established. Among the 200 associates there were two corresponding members, 28 doctors of sciences, and 77 candidates of sciences. However, the year 1992 was marked by the beginning of fundamental reforms and the financing of the project was begun only in April. Since the Caspian Sea did not wait, scientists began to work on a voluntary basis as early as February.

Fourteen volumes of the technical and economic report were ready on schedule and Professor Kaplin presented the basic conclusions of the governmental commission. The technical and economic report was accepted, he says, although not without criticism. The authorities of three Caspian regions approved it in the fall. According to Kaplin's information, Russia's president also became acquainted with the conclusions of the technical and economic report and in November 1992 the RF Government issued a directive to prepare a technical and economic feasibility study of urgent measures for 1993-1995, as stated in the document, "to prevent the flooding and underflooding" of cities and other settlements, enterprises, agricultural areas, and other valuable land (the technical and economic feasibility study of the Caspian Sea).

And the second round began. Again they waited for money from the treasury—they got it only in August, and thus the year 1993 was sacrificed to Poseidon: This time of 43 organizations there was no one willing to work for nothing. Nevertheless, after six months, in January 1994 the technical and economic feasibility study was ready: 27 volumes. Risk maps, as well as a set of ecological

maps, where processes in living nature in connection with the behavior of the Caspian Sea and the implementation of protective measures were traced one after the other, were constructed for the first time in Russia.

Here it also makes sense to talk about what the planners propose specifically. According to Aleksey Ragozin, deputy director of the Production and Scientific Research Institute for Engineering Surveys in Construction, protective structures are based on two main ideas: their overall nature, as well as utilization of the forces and resources of nature itself. In each case the choice of several variants of the most inexpensive and promising ones is offered.

These principles can be clearly illustrated by Derbent's future protective structures. The city will be protected by a dam. Its upper part will be executed in the form of an embankment, where everything that is necessary for recreation will appear. So-called berms—wave-suppressing chambers with columns, on which obsolete tires will be put—will be placed under the feet of strolling citizens. According to Yuriy Grebnev, the author of this idea, the formula, on the basis of which the berm structure is designed, represents know-how, in which the Dutch are very interested. The main point is that the reflected wave suppresses the incoming wave and the ground brought, as well as knocked out, from the coastal strip is not carried away to the sea, but settles here. Thus, crafty people, seemingly, use the destructive force of the element for creative purposes.

The planners do not promise a cat in the bag. The same berms constructed by Grebnev at the Kurshsk Spit stopped the salt waters of the Baltic Sea, which were about to gush out through the passage formed by the storm into the fresh-water bay, threatening to destroy the distinctive flora and fauna. The waves worked wonderfully well. Berms were covered with sand in such a way that only specialists involved in this matter remember what was there earlier. Moscow officials and present opponents, inspecting the patched up spit, exclaim "ah!" and "oh!", but this does not prevent them from blocking the use of the same structures in the Caspian Sea.

There is another important characteristic of the technical and economic feasibility study: It proposes to protect places most vulnerable for cities. In Makhachkala only 4 km out of the 28-km coastal zone are to be protected, and in Derbent, 2 km out of the 14-km zone. It is clear that this results in a big saving of funds.

With regard to rural settlements, another approach has been chosen for their protection: Each one is solidly encircled by a dam. In Grebnev's opinion, this is dictated not at all by the Caspian situation. The point is that in accordance with the government decision, two leading organizations were appointed for the preparation of the technical and economic feasibility study. The Production and Scientific Research Institute for Engineering Surveys in Construction managed urbanized settlements

and Sovintervod, rural settlements and appropriate territories. In the planned decisions of colleagues from Sovintervod, from behind the backs of whom the ears of the former Ministry of Land Reclamation and Water Resources stick out, the painfully familiar cost-is-no-object principle is seen. After all, in most cases these rural settlements, which are threatened by the sea, can be moved to a safe place—if the availability of vacant land and the sociopolitical situation permit.

A Blow, Another Blow. And Everything Below the Belt

This vulnerable spot in the technical and economic feasibility study has not escaped experts' eyes. However, their main blows are aimed not there at all. What do they hold against planners? There are too many remarks—more than 100 pages of typewritten text—to analyze in detail. Therefore, I asked the authors of the technical and economic feasibility study to comment on the most significant and typical.

The most widespread reproaches are of a global, not specific, nature. For example, experts announced that these protective structures would not save anyone and people must be transplanted from everywhere. Specialists at the Production and Scientific Research Institute for Engineering Surveys in Construction do not agree with this indiscriminate approach. As already stated, berms have proven to be quite good. It should not be forgotten that the proposed measures are only immediate ones. Fundamental decisions will have to be found in the course of preparation of the Federal Caspian Sea Program.

It makes sense to resettle people in the above-indicated cases. The situation in Dagestan is quite different. There the width of the coastal strip is only from 500 meters to 2 km. It has long been densely populated and divided among representatives of numerous nationalities of the Caucasus. Any resettlement is fraught with a redivision of land and, consequently, God Forbid, bloody civil strife. As if Russia did not have enough "hot spots"! Even without this Dagestan messengers reproach planners: You in Moscow are asleep, do you want a war?

However, experts do not listen to reasons, advancing another argument: You did not prove that the sea would rise only to minus 25 meters. Professor Kaplin thinks that it is unlikely that by the year 2020 the Caspian Sea will rise higher. It has already been mentioned that this level was recorded by instrumental observations in the last 160 years. If the sea, nevertheless, rises higher, the following mechanism will be turned on: Its surface will vastly increase and, consequently, evaporation will intensify, which will either stop the rise in general, or its rates will drop sharply.

However, Kaplin does not rule out another variant. Paleohydrological data show that approximately 1,000 years ago the Caspian Sea also reached minus 22 meters. According to the professor, if this is repeated, no dams will save the situation and sea water will have to be

transferred to various basins, possibly, to Azov and Aral. However, these forecasts are too probabilistic.

Grebnev also supports Kaplin's opinion. According to him, a more or less accurate forecast can appear not before the year 2000. For example, scientists from France and Canada offered their services. However, they requested time and money—1 billion dollars. Under such conditions we too will work no less efficiently, Grebnev says, but will the Caspian Sea wait?

Gentlemen planners, where experts do not give in, are there data on modern tectonics and seismic surveying in your technical and economic feasibility study? Why did you not develop a hydrodynamic model of the Volga delta and, moreover, with due regard for the piling up of sea water? In general, your decisions traditionally are directed toward the fight against consequences, not the elimination of the reasons for the "unsatisfactory ecological and socioeconomic situation..."

It is possible to endlessly quote global objections by experts, and many of them are quite correct. However, are they properly addressed? Rather, these questions should be answered by the Federal Caspian Sea Program, in which, incidentally, some active questioners, and not at all the technical and economic feasibility study of emergency measures, are involved. In general, its authors compare the experts' behavior with such actions by firemen near a burning building. All right, it is burning, these firemen exclaim. However, before extinguishing it, it would not harm to establish the cause of the fire and to check whether the ground under the building will collapse if water is poured on the fire. Moreover, will the foam not harm the surroundings?

Absurdity? This does not happen? Alas...

I Am Free, Free... Completely Free!

What experts are these and why do they permit this themselves?

First they should be introduced. It must be said that the planners have numerous reputable opponents. The Ministry of Economics and the State Committee on Questions of Architecture and Construction established their commission on a share basis and the Ministry of Environmental Protection and Natural Resources, its commission. I am familiar with many specialists who during past years often were members of such commissions. They have to work almost on a voluntary basis, because the pay is purely symbolic. In the eyes of the authorities, knowledge is dust and decay. Meanwhile, the expert must study volumes and evaluate the conclusions and recommendations of skilled scientific collectives. Not in vain did I enumerate those who worked on the technical and economic report and the technical and economic feasibility study of the Caspian Sea and mention the volume of these documents. Need one be surprised that only the conscientious person will carefully study his section? It is no accident that next to many remarks in

the conclusions of the two commissions the following is noted: See the answer in such-and-such a place of the technical and economic feasibility study. Consequently, the expert did not get to this page and made up the remark.

And then: How much paper has already been used up in writing that an expert should be independent. And what about us...? According to the estimates by authors of the technical and economic feasibility study, about 60 percent of the same persons are members of both of the above-mentioned commissions. Therefore, they communicate their position to two audiences. And what a position! After all, among the main experts there are the names of the authors of the project of the century—diversion of the runoff of Siberian rivers to the south. It is clear that now is no time to reanimate the scandalous idea. However, events show that these people will not miss the opportunity to pay back their offenders among the authors of the technical and economic feasibility study, who have caught them in open lies about the variations of the level of the Caspian Sea. Incidentally, on the sly “proponents of diversion” have no objection to pushing through some old projects; for example, construction of the Volga-Chogray Canal. True, in order to somehow connect the construction of this canal with the Caspian situation, one must promise that water will flow in it in an opposite direction as compared with the initial variant. Well, such minor details do not bother these people.

In all fairness it must be said that among our experts there are also those who conduct themselves very independently. In a shorthand report I read the following tirade by one chairman of the expert commission: I depend on no one, I say what I want. And they do say. For example, I liked very much the remark by one doctor of economic sciences that the authors of the technical and economic feasibility study, calculating the cost of protective measures, did not take into account inflation rates for 23 years ahead. Of course, it would be good to give one's own forecasts in addition to official ones and, moreover, to hit the nail on the head. But then some of the authors of the technical and economic feasibility study, as a minimum, could be safely placed in the chair of the minister of finance.

Such freedom is absolute, including from elementary responsibility. I asked Professor Kaplin to recall the atmosphere during the discussion of the technical and economic feasibility study at meetings of expert commissions. “The atmosphere was awful,” Pavel Alekseyevich answered. “They talked to us in an arrogant manner and I was not even permitted to answer the questions asked.”

Meanwhile, a bridle for such freedom lovers was found in the world a long time ago. If an expert's remarks are quarrelsome, no one will invite him in this capacity anywhere. Several years ago Yuriy Grebnev planned the system for the protection of Nigeria's coast.

“Our project,” he says, “was given to a French firm for an expert opinion. After a study they made no remarks

or objections, but had about 40 questions. They were put to us in the presence of the project's client. We answered, after which the experts concluded: Yes, the project was executed on a contemporary level. And everyone was satisfied. We also answered remarks, even the most inconceivable ones, concerning the technical and economic feasibility study of the Caspian Sea. Nevertheless, we were spurned.”

I do not at all want to assert that the documents, allegedly, are devoid of any shortcomings—incidentally, some of them have been discussed here. However, it is a fact: The technical and economic feasibility study—of emergency measures!—has already been belabored by two expert commissions for 10 months. This fact alone eloquently indicates that, although a Ministry of Science headed by polished ministers has always been and is in Russia, it did not occur even to the cleverest of them to organize a normal process of examination by experts. Nor does it exist now. Detective stories can be written about this “what can I do for you” machine. I was a witness to the passage in the 1970's of the plan for dieselization of motor transport through the then State Expert Commission under the USSR State Planning Committee. Opponents of the project arranged a magnificent funeral for it, although during open discussions no one opposed it very zealously: What for, if there are secret springs?

It goes without saying, it is bad without such diesel, but it is even worse to live side by side with the difficult-to-predict Caspian Sea. But, I will recall, people have been waiting for such help for 16 years. It remains only to be surprised at their patience.

However, this is not all that is in store for Russia. It seems that now the World Ocean has also grown weary of sedate behavior. Whereas 10 to 15 years ago its level annually rose by 1 mm, the forecast for the year 2000 is simply menacing: 3 cm!

All coastal countries, armed with modern methods, are studying behavior models. Only Russia does not give a damn. But its borders wash the waters of 12 seas and two oceans. Perhaps they hope to stop the march of the World Ocean by another menacing presidential edict?

Aleksashenko Dubs Ruble Fall Economic Coup

954K02184 Moscow MOSKOVSKIYE NOVOSTI
in Russian No 48, 16-23 Oct 94 p 5

[Article by Sergey Aleksashenko: “Extraordinary Coup. A Successful Attempt?”]

[FBIS Translated Text] An economic military coup has occurred in the country. This statement is too severe, but I cannot find another definition.

After the ruble exchange rate fell sharply the day before, the leaders of the Central Bank and the Ministry of Finance met for the first time around one table in order to develop a plan of joint actions. The prime minister

telephoned several times from Sochi, saying late in the evening that he would fly to Moscow in the morning. All conceivable and inconceivable commissions assembled at the White House, trying more to support each other than trying to do something. The president was silent, and only some well-wisher from his circle called up and said that the "president is disturbed."

The next day, when it was not the ruble but the dollar that started to fall, the president comprehended the situation and decided—to relieve the minister of finance of his duties. Of course, the president has the right to do this, that is why he is president, but according to the Constitution he may do this on the proposal of the prime minister; moreover, the president at the same time also dismissed Sergey Dubinin from the position of first deputy minister, which the government appoints. Within two days, "at his own request," the president of the Central Bank was also discharged. Who was sitting at the Security Council table, and who (as the mass media reported) recommended to the president that he make such a decision? The minister of defense, the minister of internal affairs, the commanding general of the Border Troops, the chiefs of intelligence and counterintelligence, the minister for emergency situations, and also a prominent economist of the last year, secretary of the Security Council, and the minister of justice. All except the last two are generals. Even the prime minister was not called. Imagine that all this occurred not in Russia, but in Argentina, Nigeria, Upper Volta—what else is necessary for the phrase military coup to be uttered?

Of course, Russia is a special country. Where else can the president still permit himself not to meet with the minister of finance or the chairman of the Central Bank for years? Or do we have such a stable and flourishing economy that talking about it only does harm? And the president called the minister finance infrequently; moreover, only for very specific reasons: Why money was not given to one or another director or general...

Clouds have been gathering over the Ministry of Finance for a long time. It is impossible not to mention the president's notorious reprimand of Dubinin, the series of readjustments in the government apparatus regarding executive discipline in the ministry that traditionally ended with a dressing-down of one of the deputies. The resolution of the president with the words "Who are these saboteurs?" and "Why does the Ministry of Finance permit itself not to execute my instructions?" come regularly to this day.

Finally, after the prime minister's departure on vacation, the scenario started to become visible: A Security Council session was set for 12 October on the question of financing the enforcement structures. Our military traditionally does not have enough money, and the commander in chief (the president) was supposed to hear complaints and make decisions. This did not happen. The question was removed from the agenda, but the decision, after all, had already been prepared and, consequently, it was probably adopted. The military are

people who are accustomed to order, and if it is ordered discharge on the 12th, this means the 12th. You would think that the panic on the stock exchange abated and that regulation of the currency market is not a Ministry of Finance matter.

It must be supposed that the administrative entourage of the president also played an important role, and that it was not without reason that Mr. Filatov himself articulated the president's decision. He cited suitable argumentation: First, Dubinin had made complacent forecasts (as if various analytical and informational subunits that were supposed to give the president analysis and forecasts were not subordinate to Mr. Filatov), second, the Ministry of Finance undertook the "MMM case," which did not become a reliable sanctuary for the people's rubles.

The second argument, perhaps, is even stronger than the first. What is called fraud in the whole world is raised to the rank of valor in our country, and not just by anybody but by the head of the president's administration. Perhaps it is simply that Mr. Filatov's political consultants, planning the next political campaign, began to assemble those who would act as supporters of the new policy of the president, and they decided to help Mr. Mavrodi become a State Duma deputy? If you look, there will be one more supporter of the president in the Duma.

Academician Petrakov on Ruble Fall, Urges Money Reform

954E0124A Moscow OBSHCAYA GAZETA
in Russian 28 Oct 94 p 8

[Article by Academician Nikolay Petrakov, the Russian Academy of Sciences: "The Ruble Fell so Low that It Is Not Worth Lifting"]

[FBIS Translated Text] The Russian public is anxiously awaiting the verdict of the RF [Russian Federation] Security Council's special commission on the reasons for the ruble's perfidious drop on 11 October of this year. The waiting has obviously been dragged out. There is a danger that the commission will completely forget to report to its fellow countrymen the results of its investigations. Therefore, OBSHCAYA GAZETA has turned to the services of Academician Nikolay Petrakov of the Russian Academy of Sciences, having suggested to him that he imagine himself to be the chairman of the named commission and carry out the investigation ordered by the president.

First, despite the president's instructions, I would not begin to search for "saboteurs." We have had enough discussion about who did not lock the door, when there is no barn and the door is standing in an open field!

Second, I would attempt to tell the president and the prime minister what a market exchange rate for currencies is and how it is set. For those who do not know: in a civilized currency market, the main rate-setting factors are the following:

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- the parity of the national currency's purchasing power and the dynamics of prices in the domestic market;
- the rate of monetary emission;
- and the balance of payments and trade.

In the primitive Russian currency market, the factors "calling the tune" are those which always and everywhere play the role of derivatives:

- the amount of currency offered for trading;
- the number of participants allowed into the trading;
- and the opinion of the Central Bank's leadership on the advisability of currency intervention in the trading and the like.

The attempt to establish, as quickly as possible, foreign market attributes without worrying about laying down a fundamental basis for the market mechanism cannot help but lead to a financial disgrace, when the commercial banks have brandished some \$100-150 million (the cost of an average skyscraper in New York), disorganized the intermediate trade transactions, exploded the prices and almost caused a government crisis on one-seventh of the continent.

At the risk of appearing immodest, I will quote myself. The MOSKOVSKIYE NOVOSTI newspaper edition of 12 July 1992 (27 months ago): "Incidentally, regarding the ruble's convertibility. Here, it seems, the government is kidding not only the average citizen and the experts from the MVF [International Monetary Fund], but itself as well. We will ask the question: can a market rate for any currency exist without a currency market? No? But do we have a currency market? No. There is a currency auction which is of the circus attraction variety. Several currency sellers and buyers and the Central Bank of Russia enter the arena. If a Western banker or an average industrialist, but with a sense of humor, were admitted to this auction, just for laughs, he could buy this entire auction attraction or establish, by means of a small currency intervention, any exchange rate for the ruble he desired."

As the saying goes, end of quote and end of paragraph.

Now our leaders are pulling their hair out: what a nightmare the exchange scoundrels are creating with the national currency! Why did no one pull out his hair last year? After all, at that time, in the Russian Minfin [Ministry of Finance], a distinctive, to put it mildly, understanding of the national currency's stability had matured. It was interpreted as the stability of the exchange rate, but not as the stability of the ruble's purchasing power in the domestic market. Proceeding on the basis of this concept, the Central Bank, under pressure from the Ministry of Finance, carried out large currency infusions in the trading of the Interbank Currency Exchange over the course of several months. The Central Bank's intervention in the currency trading amounted to 46 percent of the total volume of foreign

currency sales by April. As a result, the dollar's exchange rate during the period from June through December of 1993 rose by only 15 percent, while inflation jumped by a factor of 2.8 over this same period. Over the half year, the ruble prices tripled, but it was not the ruble which was devalued in the Russian market, but rather, the dollar! Where were you, you "Kremlin analysts"—Yasin, Lifshits, Illarionov et al., and why did you not warn the leadership about the inevitable scandal?

In the third point of my report, I would try to explain to the state's leaders what needs to be done in order for the country to acquire a stable national currency.

The October Crisis showed that there exists in Russia a de facto system of two parallel currencies. One hard—the dollar, and the other soft—the ruble. The dollar is being used as a means of saving by both enterprises and the population, a large part of the investment projects is being calculated in dollars and they are also being used during the concluding of long-term trade agreements. Both business people and government officials are already thinking only in "greenbacks." Russia's population is currently converting into dollars 2.1 trillion rubles monthly on average. This is a natural reaction to the national currency's instability, but, what is unnatural is the fact that, for many months now, the currency of another state has been serving as the solid ground in our economic swamp. We do not print it, it is delivered to us, it is difficult to predict the scale of these infusions and it is even more difficult to control them.

This is why monetary reform is necessary. It is necessary to flee from the disgraced ruble to a worthier national currency. Let it be, by force of habit, the chervonets. It is not a matter of the name, but rather, of the essence. The chervonets is a currency which should rise up between the dollar, which is hard, and the ruble, which is soft, and gradually crowd both of them out. It should be put into circulation, first of all, in the investment sphere and be used for the financial restructuring of domestic industry and the production of goods capable of competing in both the domestic and foreign markets.

The state should print only as many chervonetsets as would be needed to support a specified exchange rate for this currency and not as many and we need for circulation. I.e., a different emission policy is needed, as a result of which the national product would become the true support for the national currency.

Now, the matter of reliable settlement means has become urgent in connection with the plans for a payment union on the scale of the CIS. I believe that the chervonets is the very thing which can become the basis for a workable payment union. And not just for the CIS—a whole series of Eastern European states could join this union.

I do not know what the conclusion of Mr. Lobov's official commission will be, but I hope that it will not be followed by the "business of bankers." We have had enough bolshevism!

Government Session on 1995 Draft Budget

Government's Refusal To Borrow from Central Bank

954E0088A Moscow KOMMERSANT-DAILY
in Russian 21 Oct 94 pp 1, 3

[Article by Vladislav Borodulin: "The Government Has Decided Against Loans from the Central Bank"]

[FBIS Translated Text] A deficit of 77 trillion rubles, Central Bank credits of 0 rubles to cover it, and a rate of inflation of 70 percent for the year—these figures gave some members of parliament reason to call the federal budget for 1995 revolutionary. The KOMMERSANT-DAILY experts are inclined to agree with this description for another reason: For the first time in Russia's post-Soviet history, the government approved the budget as a whole 2.5 months before the start of the new fiscal year. Almost no one in the White House doubts that parliament will have time to pass it before the end of 1994.

Judging by the results of the closed session of the Russian Government that went on all day yesterday, Viktor Chernomyrdin will submit a budget to parliament on 27 October with a deficit equivalent to 8.3 percent of the gross domestic product. State revenues will amount to 131 trillion rubles, and expenditures will total 208.5 trillion. In terms of these three parameters, the 1995 draft budget does not look that revolutionary: A 10-percent deficit margin was built into this year's budget (a more detailed account of its execution follows). The "new phase of reform," according to First Deputy Minister of Economics Yakov Urinson, will be accompanied by the government's refusal to borrow money from the Central Bank and by the redirection of state expenditures from production to the social sphere.

The important role of Central Bank credits can be judged from past experience. This year, for example, these resources covered almost three-fourths of the federal budget deficit.

Next year the government plans to rely most heavily on two other sources—issues of state securities and foreign loans.

The government seriously expects an influx of foreign loans through the channels of international financial organizations. According to Vice Premier Aleksandr Shokhin, the government is counting only on credits which were already promised but were then frozen for different reasons. Above all, this applies to the 6 billion for the ruble stabilization fund. In all, credits of this kind should amount to around 30 trillion rubles. The government plans to cover the rest of the deficit by increasing the domestic debt: It plans to issue state securities and expects to circulate them among legal entities and the population. Its degree of success in securing the combination of all three factors (low inflation, positive lending rates, and the stability of currency) will not be apparent until next year.

Even today, however, we can already say that the announced "inflation-free deficit financing" might be hindered by the government's other goal of more vigorous investment. State securities and other elements of the stock market will be competing for the same money from private investors. Aleksandr Shokhin acknowledges that this is a serious problem and admits that it will be extremely difficult to strike a balance, especially now that centralized capital investments are to be reduced by almost half and directed mainly into social or infrastructural projects.

The "stringent" budget, as the premier described it, was a definite surprise to many of those who attended the government session yesterday. The discussions there and the subsequent comments of high-level government officials suggest that the resulting situation was extraordinary in Russia's experience: "Pushing" the budget through parliament (almost no one doubted that the parliamentary hearings would be successful and speedy) would be easier than surmounting the resistance of sectorial lobbyists in the executive branch of government. The following phrase became a constant refrain in the statements by second-level ministers at the session: "The budget needs adjustment." Translated into everyday language, the statement sounds more specific: "They are not giving us enough money." After the premier made such an emotional speech, however, no one wanted to oppose the draft budget openly, and the formula for the antidote in the fight against the lobbyists was described by a staffer from the Ministry of Economics, who has to be given credit for his audacity: "It is impossible to explain or prove anything to those people, so it is much simpler to just present them with facts."

[Boxed item: Basic Macroeconomic Indicators of Russian Economy: The GDP in 1992 was equivalent to 100 percent of the previous year's figure, and the corresponding indicators for subsequent years are 88 percent in 1993, 73 percent in 1994, and a projected 68 percent in 1995. Measured in terms of existing prices, the GDP in 1992 was equivalent to 100 percent of the previous year's figure, and the figures for subsequent years are 162 percent in 1993, 600 percent in 1994, and a projected 925 percent in 1995. The rate of inflation in 1992 was equivalent to 2,500 percent of the previous year's figure, and the corresponding figures for subsequent years are 960 percent in 1993, 290 percent in 1994, and a projected 170 percent in 1995.]

Chernomyrdin on Steps To Halt Inflation Growth

954E0088B Moscow KOMMERSANT-DAILY
in Russian 21 Oct 94 p 3

[Excerpt from speech presented by Viktor Chernomyrdin to introduce 1995 draft budget to Government of Russia]

[FBIS Translated Text] The course of economic events in Russia in 1994 demonstrated the direct dependence of national economic recovery on stable and consistent policy in the financial sphere. The logical progression

toward economic stabilization cannot be obstructed. It makes no allowances for pauses and interruptions.

The attainment of three objectives will be vitally necessary for our emergence from crisis and assured development: a low rate of inflation, consistently positive interest rates, and a stable national currency.

Our main problem today consists in deciding how we can curb rising prices and restrain the inflationary surge following "Black Tuesday." We saw an overall 6-percent increase in prices in the national economy between 11 and 15 October. Prices rose even more in some regions—12-14 percent. Nevertheless, I see no cause for panic. We have the necessary conditions and capabilities to stabilize prices and achieve a rate of 5-7 percent by the end of this year, and this would correspond to the government's current program. It is our duty to accomplish this.

This is particularly important now that we are finally seeing signs of steady recovery in the production sphere. The growth of industrial output exceeded 15 percent between 16 September and 16 October (with adjustments for the seasonal factor). It is too early, however, to congratulate ourselves.

Today it is obvious that the rate of reform dictated by our financial policy is not keeping up with the requirements of our economy.

The year of 1995 could be a turning point in the Russian economy, and that is why the patterns of our future development have to be chosen this year. We can either allow the recession to evolve into a lingering depression or adjust certain economic mechanisms to secure the improvement of conditions throughout the economy in 1995 and the start of a phase of gradual and steady development in 1996-1997.

The main guidelines in this progression are the substantial reduction of the federal budget deficit and the suppression of inflation to a level securing the improvement of the investment climate and the revitalization of production to achieve positive changes in our population's standard of living.

Commentaries by "Economic Policy Desk"

954E0088C Moscow KOMMERSANT-DAILY
in Russian 21 Oct 94 p 1

[FBIS Translated Text] The next 10 days will be the first genuinely serious test of the executive and legislative branches of government. We can predict that winning or losing the argument with its opponents will have only a relative effect on the future of the present government. In view of the fact that its retirement would depend wholly on the president, according to the present Constitution the head of state is entitled not to react at all to even the strictest parliamentary verdict on the government's economic policy line. The president will be obligated to do something only in the event of repeated Duma demands for the retirement of the Cabinet in the

next three months. Furthermore, the president could choose to send the State Duma into retirement instead of the government by scheduling new elections. This article of the Basic Law may allow the head of government to feel more secure, but it is highly improbable that anyone has given this scenario serious consideration. Of course, in the event of a defeat in the Duma, Viktor Chernomyrdin will lose what the Kremlin sees as one of his greatest advantages, as a figure embodying the compromise—quite obvious, even if somewhat precarious—between the main political forces and between federal and regional bureaucrats.

Available data indicate that the Kremlin is trying to quell the mounting wave of antigovernment feeling in parliament. It is precisely in this context that several members of the presidential administration staff prefer to view the widespread rumors about the resignation of the premier and the proposal that parliamentary factions submit nominations to the president for the offices of chairman of the Central Bank and minister of finance. There is good reason to believe that Ivan Rybkin's suggestion that the office of minister of economics also be considered vacant is not just another of the speaker's rash political observations, but an indication of the Kremlin's desire to convince the deputies of its willingness for moderate compromise. The lower house has demonstrated restraint up to this point: In particular, on Wednesday it rejected a motion for the immediate deliberation of the budget and the government report. Today's address in parliament by First Vice Premier Oleg Soskovets is indicative in this respect: After approving the stringent draft budget for 1995, the government can be satisfied with the mere fact that the Duma has consented to listen to its arguments.

Journalist on Political Forces in Government

954E0088D Moscow KOMMERSANT-DAILY
in Russian 21 Oct 94 p 1

[Commentary by Maksim Sokolov, KOMMERSANT-DAILY political correspondent, on Kremlin-White House relations]

[FBIS Translated Text] The last few years have witnessed enough resignations to provide graphic evidence that this is a double-edged ploy. In the absence of any kind of dominant influence group and any kind of mechanism to build coalitions, the retirement of a prominent figure carries the threat of the immediate disruption of the fragile political balance. Russian politicians are aware of this and are using it mainly as blackmail, and this is the reason for the distinctive pattern of Russian resignations—not a set of formalized procedures, but a collection of rumors and news leaks. This makes the game of retirement in Russia twice as interesting. The confidential political blackmail is a double-edged weapon in itself, but when each of the parties involved has the option of publicizing the blackmail unilaterally, it becomes extraordinarily difficult to distinguish between the winner and loser.

The sequence of events in the October contest, in brief, was the following: Chernomyrdin, after suffering a series of indignities, decided to show Yeltsin that he was the prime minister, and not just a lowly servant, and that he could force the architect of social accord to clean up the whole mess by himself. People in the Kremlin decided that the premier was bluffing and had no real intention of retiring, and that it would therefore be useful to leak this information to the press and force him into a public denial of his own bluff. This challenging move did expose Chernomyrdin's righteous indignation, but it also made the president's righteous indignation look even more dubious (which had not been anticipated). By proving that the premier was bluffing, the engineers of the leak showed that the president was bluffing just as much, because dismissing a premier is convenient only when there is a replacement waiting to take over. The Gaydar-Fedorov replacement option, however, would never get the approval of the Duma, which the president is not ready to evict, and the Lobov-Skokov option would immediately drive all of the democrats into the opposition without generating any substantial dividends in exchange, and no one would accept Soskovets as a political leader. The presidential administration did not realize that the ploy of publicizing the intrigue would not only put Chernomyrdin in an uncomfortable position, but also expose the Kremlin team's lack of any clearly defined policy. And without a policy, any show of political will is a futile undertaking.

Chairmen of Duma Economic Committees Question New Economic Policy

954E0123A Moscow KOMMERSANT-DAILY
in Russian 28 Oct 94 p 3

[Article by Boris Boyko: "Deputies Have Spoken Out Against the New Economic Policy: The Government's Report in the State Duma"]

[FBIS Translated Text] Viktor Chernomyrdin's report yesterday in the State Duma (see page 1) was accompanied by a stormy discussion, in which the speeches of the representatives of the duma committees and factions occupied the principal position. Despite all the prime minister's efforts to prove the need for a "tough policy," only the leader of Russia's Choice, Yegor Gaydar, supported this concept fully, however, he abstained during the voting on the motion of no confidence in the government. The opposition factions were more straightforward: the severe appraisals of both the work of the government and its proposed economic policy were realized in the unanimous demand for the replacement of the cabinet (see page 3).

The most interesting speeches were those of the chairmen of the three economic committees—economic policy, budget and finance and privatization—in which the practicability and advisability of the policy proposed by the government were questioned.

The chairman of the Budget and Finance Committee, Mikhail Zadornov, engaging in polemics, as it were, with

the prime minister, put forward the thesis that, "without solving the problem of control on the part of the parliament over the execution of the budget, it is impossible to count on stabilization." According to him, this year, the collection of taxes declined not only as a consequence of an incorrect forecast, but also as a consequence of poor control, the establishment of preferential conditions for a number of regions and the exemption of all small business from taxes. In connection with this, in his opinion, the duma should require from the government the submission of quarterly reports on the progress of the budget's execution. In addition, the government should follow rigidly the funding priorities selected by the duma and not approve any additional spending after the budget's adoption.

[Boxed material follows]

Financial Receipts Expected by Russia in 1995 from International Financial Organizations

Budget-oriented loans:

- IMF standby credit—\$6.4 billion;
- World Bank credit to cover the budget deficit—\$1.5 billion;

Other loans:

- From the World Bank—up to \$3 billion;
- Extended credit for "system transformation"—up to \$2 billion;
- Stabilization credit to support the ruble's exchange rate—up to \$6 billion;
- Receipts due to the additional issuing by the International Monetary Fund of "special drawing rights" (SDR)—the amount has not been determined (a previously named figure was 16 billion SDR or \$22.3 billion intended for Russia and other post-communist countries);
- A financial windfall due to the restructuring of the foreign debt—the total amount of the restructuring has been set at \$24 billion. [End of boxed material]

The chairman of the Committee on Economic Policy, Sergey Glazyev, having repeated as usual his well-known thesis that the economic policy pursued for the last 2 years has led to the de-industrialization of the Russian economy, doubted that the proposed budget concept for the coming year would lead to economic growth. According to him, it is unclear "why, at the same time, a 6-percent production slump has been included in the forecast, as well as a decrease in spending, while there is a declaration about an active investment policy." The conclusion: a radical change in economic policy is needed.

The chairman of the Committee on Privatization, Sergey Burkov, who previously seemed to be much more loyal with respect to the current government, this time, subjected the policy in the area of privatization to pedantic

criticism. In Burkov's opinion, the privatization program needs to be adjusted, inasmuch as, up till now, it has been solving only political problems. The proof of this, first, is the introduction of vouchers instead of privatization accounts, second, the too high rate of privatization given the complete absence of a government appraisal of the effectiveness of this process and, third, the understated appraisal of property. The latter, according to Burkov, has also become the reason that the budget this year received from privatization "just as much money as is going for the maintenance of the privatization organs" (1 percent). Burkov has estimated the actual revenues from privatization in 1995 at 500 trillion rubles. This factor, in his estimation, is one of the reasons for the rapid increase in the shares of a number of companies.

It is worth noting that all the economic committees did not support the government's key idea about funding the budget deficit through the revenues from the floating of state securities and foreign loans. The general opinion is that an enormous emission of state securities would tie up available capital which could theoretically be invested directly in industry.

In contrast to the parliamentary specialists, the speeches of the factions' representatives were thoroughly politicized and, if they touched on the economy, they either repeated the theses of the specialized committees or talked "about the sore spots." Against this background, the emotional speech of Yegor Gaydar, who was apparently recalling his own speeches as "prime minister" in the Supreme Soviet and who, in his words, expressed complete solidarity with the "government's new economic policy," resounded with dissonance.

Petrochemical Holding Company to be Established in Bashkortostan

954E0125A Moscow KOMMERSANT-DAILY
in Russian 28 Oct 94 p 9

[Article by Gulchachak Khannanova: "Autonomous Republic to Have Autonomous Oil Company: Oil Holding Company Formed in Bashkiria"]

[FBIS Translated Text] **Formation of the Bashkirskaya Neftekhimicheskaya Kompaniya Joint-Stock Company—** a regional holding company created by a decision of the republican leadership—has entered its concluding phase. Yesterday the Bashkortostan Committee for Management of State Property transferred the state's blocks of stocks in the republic's main oil refining enterprises privatized in 1994 to the joint-stock company. Thus the foundation for yet another Russian vertically integrated oil company has been laid.

KOMMERSANT-DAILY wrote about the beginning of formation of this Bashkirian petrochemical company in February of this year. Since that time its concept has undergone some changes, the most significant of which was inclusion of Bashneft in the holding company, which

hadn't been planned before. This means that the republican leadership is following in the footsteps of federal authorities creating a number of integrated companies in the Russian petroleum complex with the full production and commercial cycle—from well to gas pump. For now, the company, the authorized capital of which is 11 billion rubles in the first phase (the fixed capital is valued in 1992 prices), includes three Ufa oil refineries (Novo-Ufimskiy, Ufimskiy and Ufaneftekhim), the Ufaorgsintez Joint-Stock Company and the Neftekhimpromstroy Joint-Stock Company. Yesterday 36.7 percent of the stocks of these enterprises were transferred to the authorized capital of the holding company by the republican Committee for the Management of State Property. In the next phase of the company's formation, which in the words of its president, Vladimir Chuvalyuk, should end in November-December of this year, the Salavatnefteorgsintez Joint-Stock Company, Bashneft, the complex of Sterlitamak petrochemical enterprises, the Bashkirmefteprodukt Joint-Stock Company and a number of auxiliary enterprises of the republic's fuel and energy complex are to join the list of its founders. Their participation in the company is in the formative stage. Without waiting for its conclusion, the holding company has already begun carrying out its functions. In particular it is acting as the guarantor for credit obtained for its oil refineries to purchase raw materials and pay on contracts with foreign firms for reconstruction of the production operations. In the last two months the amount of this credit reached R60 billion and \$30 million.

In the opinion of experts the new company's prospects for development aren't bad, and they are associated to a significant degree with assumption of a protectionist policy by the republican leadership (a clear example of this was the Bashkortostan government's significant reduction of oil excises established for Bashneft by federal bodies).

Inoperative Rolling Stock Clogs Far Eastern Railroad

954E0120A Moscow GUDOK in Russian 29 Oct 94 p 2

[Article by V. Martynov, GUDOK correspondent: "The 'Dead' Fleet: Thousands of Defective Railcars Have Piled Up on the Far Eastern Railroad"; Comment by GUDOK Department of Operations]

[FBIS Translated Text] The Arkhara Station is the junction between two railroads—the Transbaykal and the Far Eastern. The "tail" of the loaded consists, which is hauled to the shores of the Pacific Ocean, starts from here. About 4,500 railcars, dispatched from the Kemerovo, East Siberian and other railroads, have come to a standstill on the approach and station tracks. There are 3,300 cars standing on the Khabarovsk Division alone. They contain coal and fuel, extremely necessary to the Far Eastern citizens for the heating season.

The reason for this mighty congestion on the railroad lies primarily in the defects of the wheelpairs of the rolling stock which has come from other mainlines. N.

Golovashkin, chief of the Operations-Management Department of Transport Service of the Far Eastern, complains that this was the reason for the disruption of the train receiving and dispatching schedule and the reduction in speed, and as a result—the sharp drop in the road's throughput capacity.

Under the conditions of the financial crisis and the critical shortage of materials, replacing the wheelpairs in such tremendous number is unrealistic for the Far Eastern workers. For example, the Khabarovsk Division is able to put 95 railcars "on their feet" and the entire road—260, but today they number in the thousands.

It is the same thing with tank cars. Some 1,330 units of them have piled up. The road is capable of processing 210. The situation is worst of all on the Khabarovsk Division, where, with a norm of 130 tank cars, over 700 are frozen on the tracks.

Anxious telegrams fly from the management of the mainline to the sector's headquarters, anxiety resounds at the selector conferences.... But the defective railcars continue to arrive.

It is not the first time that the Far Eastern Railroad has run up against congestion. The reasons for the accumulation of rolling stock vary: sometimes the seamen disrupt the transshipment of freight or its dispatch for export, at other times the countries contiguous to Russia find themselves unable to receive such a large freight flow, etc. Right now, 600 cars of coal, directed to Sakhalin through the Port of Vanino, are standing idle. Some 1,800 loaded cars and about 2,000 cars of coal for Magadan are awaiting shipment at the Port of Vostochnyy.

Again, there is a lack of coordination with the port workers and seamen on payment for transport. Added to this is the problem of defective cars: according to the information of the MPS Railcar Main Administration, this is mainly due to worn-out flanges on the wheelpairs. This is not the fault of either the Far Eastern or the other roads which send this rolling stock here. Because of the financial deficit, they are unwilling to purchase wheelpairs to replace the worn-out ones: they say, these cars are not ours, why should we spend money on them?

The MPS is now taking measures to "unravel" the Far Eastern Railroad. For example, it has undertaken the removal of tank cars to the Krasnoyarsk and East Siberian mainlines, where they will undergo repair and supplement the working fleet. On the instructions of the MPS, a sufficient quantity of wheelpairs has been shipped to the Far Eastern, and funds have been allotted to improve the railcars. It was decided to send freight to this region only in rolling stock which has a wheel flange

with a thickness no lower than the norms specified by PTE [Regulations for Technical Operation]....

In a word, the problem of worn-out wheelpair flanges on railcars and locomotives is being exacerbated, and we intend to report on this in one of the next few issues of the newspaper.

Russia's Balance of Payments for 6 Months 1994 Submitted to Duma

954E0113A Moscow KOMMERSANT-DAILY
in Russian 25 Oct 94 pp 1, 3

[Article by Vadim Bardin: "Russia's Balance of Payments: Russia Now Has More Cash, But Smaller Reserves"]

[FBIS Translated Text] Balance of payments holds a special place among macroeconomic indicators. True, it provides a very specific cross-section of the country's economic condition—i.e. viewed through its interaction with the outside world—but nevertheless it helps us get a clearer view of a number of key economic development indicators, in particular the situation in the domestic currency market. Russia's balance of payments for the first half of 1994, as submitted to the State Duma by the Central Bank, leads one to, if not a sensational, then at least a very curious conclusion. Both the Central Bank and commercial banks have become more active in placing their currency reserves abroad, yet at the same time the release of cash dollars into the Russian market has increased many times over.

The gist of the balance of payments for the first half of 1994 can be found in some specific and not very prominent articles under the section entitled "Balance of Capital Transactions." The Central Bank's traditional policy of depositing hard currency reserves in foreign banks is now being followed by commercial banks as well.

One explanation offered for the Central Bank's weakness on "Black Tuesday," 11 October, is that increasing its intervention would have required using funds from its foreign accounts, something the bank prefers not to do.

Experts from the Central Bank's Foreign Operations Department confirm that in the period January through June 1994 Russian commercial banks reduced the commercial banking network's short-term foreign assets by \$1.9 billion, something that is directly attributable to the shifting of official hard currency reserves previously on deposit with resident banks to foreign banks. Thus banks assess the risks in the Russian currency market as so great that, while still trying to attract Russian clients, they feel that their own reserves would be safer deposited outside of Russia. If one examines the problem more broadly, then one finds that banks, or at least some of them, have fundamental differences of opinion with the government in their assessments of the Russian economy's short-term prospects, and in particular of the possibility of carrying out effective domestic investment. This is also confirmed by the continuing low level of activity by foreign investors in Russia. According to figures on the balance of payments

for the first half of the year, direct foreign investments in Russia totalled just \$116 million. It is clear that it will be inflation control, not action on the part of the Central Currency and Export Control Service, that will break the prevailing trend.

Outright importation of dollars from foreign countries by commercial banks totalled \$8.3 billion in the first six months of 1994. During the corresponding period last year that figure was much more modest at \$1.1 billion. This is due to a number of factors. Banks have mastered the game of playing off the difference between the cash and non-cash exchange rates. Supplying hard currency in cash to the CIS countries has proved to be an attractive business. According to experts' estimates, this re-export of cash hard currency totalled at least \$1.5 billion. The increased demand for cash hard currency is essentially of the same nature as the banks' transfer of reserves abroad. The public regards investment of their savings in freely convertible currency as a hedge against the devaluation brought on by inflation. There the similarity ends, since private individuals' opportunities to deposit their currency abroad are substantially fewer than those available to banks.

There are also macroeconomic factors at work here. On the one hand, banks (and their trusted clients) are thus increasing their potential for active participation in the new stage of Russian privatization. On the other, considering the relatively strict monetary policy that prevailed during the first half of the year, importation of cash dollars was a specific means of increasing the amount of money in circulation in the country.

As for the current operations in the balance of payments, they contain far fewer surprises. Of greatest interest are Central Bank assessments of foreign trade development, which (along with figures from the Ministry of Foreign Economic Relations) will be the subject of a KOMMER-SANT-DAILY commentary in Thursday's "Foreign Trade" column.

Principal Components of Russia's Balance of Payments (January-June 1994)

Current Operations Account	
Exports	\$28.78 billion
Imports	\$21.88 billion
Foreign Trade Balance	\$6.9 billion
Services Balance	-\$1.7 billion
Capital Operations Account	
Amount of Loans Received	\$4.6 billion
Repayment of Debts to Non-Residents	\$1.9 billion
Loans Extended to CIS Countries	\$156 million (recalculation of ruble amounts)
Direct Foreign Investments	\$116 million
Deficit in Balance of Payments	\$13.4 billion

Russia's Gold and Currency Reserves (Billions of Dollars)

Category	On 1/1/94	On 7/1/94	On 9/1/94
Net Gold and Currency Reserves	6.4	6.3	4.1
Foreign Assets	8.9	10.5	8.3
Currency Assets	5.8	8.0	5.6
Gold	3.1	2.5	2.7
Gold (metric tons)	317.1	255.4	285.6
Ministry of Finance	2.6	4.2	4.2
IMF Requirements	2.5	4.2	4.2

Industrial-Entrepreneur Council's Effectiveness Doubted

954F0215A Moscow ROSSIYSKIYE VESTI in Russian
28 Oct 94 p 2

[Article by Vladimir Onegin: "Director's Games"]

[FBIS Translated Text] Arkadiy Volskiy, chairman of the Russian Industrial-Entrepreneur Union, who has admitted to founding many councils of all types, doubts that the recently-formed RF Industrial-Entrepreneur Council will have a capacity for work. Alas, we must agree with him. Here is why.

Whenever a problem must be dealt with (and we have many to deal with today) we immediately form the corresponding "committee." Have nonpayments created a "blockage" in financial channels? Form a committee. Do we need controls over the financial market, where swindlers of every stripe reign today? Form another committee. Do you have to deal with commercial banks and bank operations? Form yet another committee.

The time has come to deal with the question of the interaction between entrepreneurs and the government in developing the country's economic policy. Form a committee without delay.

It is unimportant that the government had already created two such councils earlier for this purpose - one "for industry and entrepreneurship," and the other "for entrepreneurial development." Evidently both were fruitless, if a single council appeared several weeks ago to replace the two. This is the Industrial-Entrepreneur Council.

The government resolution specifies in detail how often the council and its presidium should meet. It also states that council sections "meet regularly according to their own schedule," and indicates who signs the protocols, and how long after the meeting protocol excerpts are brought to the notice of organs and the council members via office management. And so on.

There can be no doubt that yet another powerful paper whirlwind has been released and will begin to turn uncontrollably and fruitlessly, sweeping up taxpayer money.

The same resolution states: to make proposals on the personnel makeup of the council, based on a figure of 40-50 members.

The reader will exclaim that that's too many! And in reality, how can so many "provide counsel," even assuming that all 50 will show up at a meeting to which they are assigned to come without knowing why ahead of time?

But 4 weeks later come instructions about the personnel makeup of the industrial council. No longer does it consist of 40 or even of 50 people. Not even a hundred, but a whole 157! The long list that takes up 12 pages includes the directors of the largest enterprises and ministries along with figures unknown to all - the presidents of various mysterious AO's [joint-stock companies] and AOZT's [privately held joint-stock companies] and various "Feniks" and "Aleksandrov" companies, directors of minuscule banks (RATO-bank, Prezentkombank, Resurs-bank and others), and editors of third-rate publications.

What was the guiding principle behind such a whimsical selection?

Our bewilderment dissipates somewhat when we become familiar with the course of preparations for this surprising order.

The fact of the matter is that the director of the council (as, incidentally, of all of the other aforementioned committees for the most important national economic problems) is the first deputy prime minister, Oleg Nikolayevich Soskovets. One of his council deputies is Mikhail Borisovich Khodorkovskiy, administrative chairman of Menatep Bank, and obligatory member of other committees headed by Oleg Soskovets. Observers note the recent closeness and (how can this be put more mildly?) "mutually-advantageous" intimacy of the well-known banker and the first deputy prime minister. As neighbors in the elite dacha village of Uspenskoye, where until quite recently the administrative workers of the CPSU Central Committee had resided, M. Khodorkovskiy has become the frequent guest of Oleg Soskovets. It is not difficult to imagine how easily it becomes a mutual pleasure to solve government problems while seated in slippers at a cozy tea table.

It is possible that it was precisely in such a setting that Oleg Nikolayevich told Mikhail Borisovich to make up a list of the council membership. And Mikhail Borisovich, as evil tongues confirm, immediately pounced on this task. He did not forget to include himself, his bank advisor, S. Abramov, the director of the Menatep-Inpeks Trading Company, A. Glagovskiy, and many other necessary people who personified Menatep Bank a little less obviously.

The mistrustful reader will remark that surely the banker and deputy prime minister have better things to do than discuss this ill-starred list at tea. He will be right. We do

not know whether things were decided at tea or not. All we know is that recently Menatep Bank has been receiving one after another of the most profitable and currency-intensive spheres of Russian export for its "zone of financial occupation."

Recently our authorities noticed that Russia has lost its former advantage in the international arms market and has deprived itself of many billions in currency income. So they created a gigantic monopoly, Rosvooruzheniye Export Company, to return the country to its lost position. Oleg Soskovets is in charge of this key post in the government. And of course Menatep Bank has been entrusted with the bank accounts of Rosvooruzheniye.

Or, here is another example. The privatization process has now been placed on an industrial footing. On numerous occasions, newspapers have described how those in power try to brazenly "get a piece of the pie" when it comes to the "tastiest" branches - petroleum, gas, and ferrous metallurgy.

If we ask which of the commercial structures participates in privatization of, let us say, ferrous metallurgy enterprises, the products of which are in great and constant demand on foreign markets, we will receive the answer, "Menatep Bank."

Since Mr. Soskovets is in charge of this sphere, this answer is no longer surprising.

Incidentally, the last name of Oleg Soskovets has already become familiar to readers through articles describing illegal privatization of a Novosibirsk tin combine and abuses in the export of aluminum.

The current manipulations surrounding the new industrial government council are nothing new. No one has changed his colors; the colors have simply been more brightly displayed.

Caspian Sea Monster, Ground Effect Craft Viewed
954E0126A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 28 Oct 94 p 14

[Article by Nikolay Yefimovich: "The Caspian Monster; If Russia Had Had the Money to Complete It, Would the Passengers of the 'Estonia' Have Had a Chance to Be Saved?"]

[Text] Last summer, counterintelligence men from Nizhniy Novgorod submitted to the procurator general's office a case against several former workers of the Central Design Bureau of Hydrofoil Navigation imeni Alekseyev. They were suspected of divulging a state secret.

The associates of the FSK [Federal Counterintelligence Service] were a bit late. One of the accused had already fled the country. Our own MFA [Ministry of Foreign Affairs] helped him to get away to the USA without any problems. The chiefs of the CDB [central design bureau] were unable to prove to the MFA interdepartmental

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commission that their former lead engineer was not simply defending his dissertation on a special topic, but had access to secret materials. Officials in the capital decided: They should know better whether a humble shipbuilder from Nizhniy Novgorod who had prepared to travel across the ocean would be able to deprive the country of important state secrets. Moreover, the documents were late in coming to Moscow from Nizhniy Novgorod. Yet in the CDB itself, they believe these documents were already of no real importance: Someone had pulled some strings for their former colleague. And perhaps, even from abroad. Several other former associates of the famed design bureau on river "rockets" and "meteors" are also "setting their sights" on the West.

These days, it is hard to break through to the West with anything. But then, the disciples of the Design Bureau imeni Alekseyev can try. Today it is already no secret that the "rockets" and "meteors" served merely as a good cover. Here, starting in the 70's, they worked on military ground effect craft.

A ground effect craft is an experimental flight craft of the airplane type, whose flight utilizes the effect of proximity to the surface of the ground or air (screen), which forms an "air cushion," increasing the aerodynamic properties of the ground effect craft. Having no analogs in high-speed technology, the ground effect craft possess aviation speeds at marginally low altitudes which are not attainable to conventional aircraft. Several countries have developed experimental or practical prototypes. However, it is specifically Russia which was about 15-20 years ahead of everyone else in developing technologies for the practical development of ground effect craft. As soon as the veil of secrecy was lifted from the CDB (even the designers' families did not know what their dear ones were working on), the foreigners flooded in. They even estimated, for the sake of curiosity, that there had been representatives from 160 firms visiting here. The U.S. Secretary of Defense paid a visit here, as well as the developer of the famous American aircraft "Voyager." Not all were actually who they passed themselves off to be. With the naked eye, one could pick out the "hunters" for specific information. They, evidently, expected that under conditions of the current Russian chaos they would be able to get what they needed on the sly. However, the CDB did not intend to let them get close to the technologies.

For the USA, even before this, the tests of ground effect craft on the Caspian Sea were no big secret. With the aid of aerospace intelligence, they had an idea of the unusual flight technology of the Russians. The CDB museum has an amazingly exact model of the CM [Caspian Monster] ground effect craft, which was a gift from the Americans. In the West this ground effect craft came to be known as the "Caspian Monster."

From the files of KOMSOMOLSKAYA PRAVDA

The ground effect craft "CM" ("Caspian Monster") was developed by CDB general designer Rostislav Alekseyev.

It had a length of over 100 meters, a wingspan of around 40 meters, and in its record flight its weight reached 540 tonnes, which at that time was the unofficial world record for flight craft. The results of testing of the "Monster" made it possible to create the transport ground effect craft "Orlenok," with a take-off weight of 140 tonnes, capable of transporting 20 tonnes of cargo at a speed of 400 kilometers per hour for a distance of up to 1,500 kilometers. It can make water landings in rough seas, and has the capabilities of an amphibious craft.

The American specialists made the model of the "Caspian Monster" in order to show the president of the USA. He called them together once again: Is it worth pursuing the development of ground effect craft? Only two of the experts said that it was very important and demonstrated the model of the "Monster." The others considered the work of the Russians to be a technical risk. The Americans' own experiments had ended tragically: The pilot was killed, and the craft destroyed. And even the Russians, evidently, are not having great success, thought the State Department specialists. After all, the "Orlenok," which was developed after the "Monster," was never mass produced. Nevertheless, a special group was created within the CIA to monitor the developments of our ground effect craft. However, even the CIA could not find out why the Soviet Union was not launching ground effect craft in large batches. Yet the "Orlenok" did not go into production for a purely Soviet reason. The aviation plants refused to build it: It does not fit our profile, they said. Military aircraft building was itself groaning under the strain of its own orders. Moreover, like any talented person, CDB Chief Designer Rostislav Alekseyev was constantly in conflict with the related Ministry of Aircraft Construction.

Who knows if we would have been able to get ahead of America in plans for the ground effect craft had it not been for Politburo member Ustinov. Our leaders always breathed nervously when the topic turned to conquering the skies. Having ridden on a ground effect craft personally, Ustinov immediately proposed demonstrating the wonder-plane to the entire Politburo. But then there was an accident. The ground effect plane crashed. Everyone was in a panic. Then Chief Designer Alekseyev decided to build a second one in record time. And in order to win time, he asked Ustinov to wait until, as he said, the ice melted on the river, so as to get it to Moscow. The latter, however, asked: What if we close all the highways from Gorky to Moscow for the night and bring it in that way? Alekseyev began to argue what a fragile machine this was. What if it should shake apart? And he heard an ominous shout: "You go ahead, do not hedge, spit it out, what is the matter?" He allowed a short time. And then, not far from Gorky near Chkalovskiy, behind the barbed wire of the CDB, work on completion of the ground effect craft continued at a mad pace. A special crane-helicopter delivered the unusual aircraft to Podmoskovye. Khrushchev was thrilled. He ordered that the developers of the ground effect craft be awarded the Lenin

Prize. Alekseyev received the right to report directly to Nikita Sergeyevich himself several times a year...

However, having found ourselves ahead of the entire planet in terms of ground effect craft, we are today risking being left in the back alleyway. The CDB lives as an ordinary defense NII [scientific-research institute]: Conversion, no wages for months, orders have been reduced, the people are going away to the commercial structures. Where is the guarantee that the unique technologies will not drift away to the West in some round-about way?

During his summer visit to Nizhny Novgorod, Yeltsin was shown a special film on ground effect craft at the CDB's display at the Nizhny Novgorod trade fair. They say that Boris Nikolayevich's eyes burned with excitement. He even asked to see the film a second time. Yet the demonstration of small ground effect craft staged for Yeltsin on the Volga itself almost did not come to pass. The president's breakfast with business people at the trade fair had dragged on. The program of the visit had to be cut short. He would not have time to go everywhere. And they literally began to tear Yeltsin to pieces. One group of his retinue nevertheless urged him to take a look at the ground effect craft. Another wanted him to attend the opening of the oblast tennis tournament, the "Governor's Cup." Still others did not want the president to miss the presentation with their favorite governor, Boris Nemtsov. There, at the tournament, the youngest Borya Yeltsin was planning not to let his grandfather down, and to win the singles event over a Nizhny Novgorod athlete. The president went to the tennis court only after viewing the flights. And he promised support in every way possible. But, evidently, his experts on the naval fleet were certainly not the biggest fans of ground effect craft.

And while the various altercations are going on in the Kremlin corridors of power, in the building slips of the CDB experimental plant they cannot finish building the conversion variant of the ground effect craft "Lun"—the search-and-rescue variant.

From the files of KOMSOMOLSKAYA PRAVDA

The search-and-rescue ground effect craft is capable of taking up to 500 victims on board, and more if necessary. In the words of its chief designer Vladimir Kirillovkh, it is the most up-to-date high-speed maneuverable naval craft in the world, having no analogs, with effectiveness surpassing high-speed ships, helicopters and aircraft, including their newest developments. It weighs 400 tonnes and has a top speed of up to 550 kilometers per hour. It can fly up to 3,000 kilometers without refuelling. Inside the ground effect craft is a hospital with an operating room and resuscitation facilities—in general, everything needed in cases of rescuing victims of a disaster at sea. The reserves of its life support system are enough for several days. The "Spasatel" ["Savior"] can land directly on a stormy sea. It can be readied for departure to the site of a

catastrophe within half an hour. As the chief designer of "Spasatel", Vladimir Kirillovkh, believes, having two such ground effect craft, it would be possible to avoid terrible losses during accidents at sea, rescuing people within just a few hours.

But it is the age-old Russian problem—no money. In order to complete work on the "Spasatel," 18 billion rubles (R) would be needed today. The naval fleet, which is currently financing the construction of the first ground effect craft, is experiencing a catastrophic shortage of funds. A presidential edict has given them permission to seek investors, including foreign ones. But wherever the CDB turns, the first question is: And what would the profits be? In a year, or two, or three? Well, in that time, anything could happen with Russia. For the present time, foreigners are more interested in one thing. The U.S. Secretary of Defense, while inspecting the "Spasatel," kept asking: How many people does it take on board? Can it take more? The Americans need a military-cargo ground effect craft. So that in case of another "Desert Storm" they would not have to send cruisers to the other end of the world with their troops, but could transport them in just a few hours.

According to the data of the Liverpool Insurance Association, every year there are several hundred large ships which experience distress at sea. And in each case, there are always human casualties. In the last few months alone, it has been a disturbing list: The accident with the barge "Estonia," the earthquake in the Kurils, the flood in Primorskiy Kray... And each time, the designers at the CDB imeni Alekseyev feel almost guilty because their "Spasatel" was not there to help.

Coal Industry Development 1995-2005 Viewed

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[Article by M. I. Shchadov, president of the International Mining Congress, and K. Ye. Vinitskiy, doctor of technical sciences (IGD [Mining Institute] imeni A. A. Skochinskiy): "Open-Cut Mining - Main Directions in the Development of Russia's Coal Industry"]

[FBIS Translated Text] The article presents an overview of the development of open-cut mining on RF territory in 1995-2005. The technical level of mining and tendencies in the development of technologies and equipment in RF coal fields are examined.

The contemporary stage of development of the mining industry in the world's economically-developed countries is characterized by the forestalling growth pace of open-cut mining, which has become the main tendency for technical progress in mining. This is based on highly successful indicators. Production costs for the recovery of coal are lower by a factor of 4-6 as compared to recovery from mine shafts, and labor productivity is greater by a factor of 8-10 for the former as compared to the latter when conditions are equal.

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To a large degree, this is facilitated by secure coal reserves on the Eurasian continent, and in America, Australia, and Africa. As of the late 1980s world coal extraction (hard coal and lignite) surpassed 3 billion tonnes, and annual growth of extraction equalled 3 percent. By the year 2000 the volume of open-cut coal mining may reach the level of 3.3 billion tonnes, and its proportion - 65 percent.

The recent crises within Russia's economy did not bypass the coal industry either. In 1989-1992 there was a significant drop in coal extraction. A drop in open-cut coal mining occurred in almost all regions of the Russian Federation in 1992: in Kuzbass - a drop of 10 million tonnes, on the Kansk-Achinskii coal fields - 5 million tonnes, in the Far East - 8.6 tonnes, and in the Urals - 0.6 million tonnes. The drop in mining production affected the volume of stripping to an even greater degree. In 1991 stripping fell to a level of 409 million cubic meters. The volume processed by an effective, non-transport mining system has also decreased.

Nevertheless, there is reason to believe that the crisis in the regulation of economic relations will be surmounted and that Russia's mining industry, dominated by the open-cut method, will occupy an honorable position within the economy.

Development plans for open-cut mining on RF territory are oriented towards increasing volume to 204, 268 and 288 million tonnes in 1995, 2000, and 2005 respectively. The primary areas earmarked for mining development are Kuzbass, the Kansk-Achinskii coal fields, and Eastern Siberia.

On the territory of the Russian Federation, 63 open-cut coal mines with a total capacity of 225 million tonnes are in operation today. The largest include Borodinskiy, Berezovskiy, Nazarovskiy, Neryungrinskiy, and Azey-skiy open-cut mines with a capacity of from 7 to 29 million tonnes.

The technical level of mining and tendencies in the development of technologies and equipment are characterized in the following way.

Kuznetskiy coal field, where hard coal is retrieved, is characterized by complex conditions related to the running in of variable-thickness strata occurring steeply and at oblique angles.

The enclosing rock is represented by argillites, aleurolites and sandstone with a strength of $f=12$. Reserves of hard coal in fields that are suitable for open-cut mining equal over 8 billion tonnes.

The Kuzbass is unique within the practice of open-cut mining in terms of bedding conditions and difficulty of working the mine. Here, internal spoil-stacking is utilized only in open-cut mines of the Southern Kuzbass, where oblique coal layers have a position angle of 18-20

degrees. The basic thickness of overburden rock is worked using transport technologies. The overburden ratio often reaches 10.

Non-transport technologies here are limited to the exhaustion of rock interlayers having a thickness of up to 50 meters. No analogous mining practice is found in world practice.

In the open-cut mines of the Kuzbass, transport technology occupies the predominant position. Improvements in terms of strengthening mining operations were implemented in the direction of developing new transportation schemes, efficient coordination of combined transportation forms, and the use of new types of mining and transport equipment.

Motor-vehicle transport, including dump trucks with a capacity of 110-180 tonnes, is retaining its predominance. In the Kuzbass, motor vehicle transport is being used to mine many fields. The same is true for the Neryungrinskiy field in Yakutiya, where it is not unusual to have a flow of 80-90 dump trucks per shift. The annual volume of truck shipments reaches 80-90 million cubic meters.

The development of motor vehicle transport will move in the direction of utilizing dump trucks with a particularly large capacity, which will enable us to decrease transportation expenditures, and correspondingly, to decrease the number of drivers and service personnel.

Quarry railway transport is characterized by operational dependability. However, with the increase in the depth of operations, the total volume of major mining operations increases, and access to the face and the organization of movement become more complex. A weighty contribution toward increasing transport effectiveness has been made by the development of domestic hauling machines. The availability of self-contained power units with a capacity of 1.5 megawatts has enabled us to avoid traction power-supply systems in the work zone, to simplify blasting work, and to decrease the work area. The fleet of dump cars for open-cut mines is made up primarily of 105-tonne cars manufactured in Poland. Problems with their delivery in the future may create a difficult situation within the branch, although eight-axle dump cars with a capacity of 145 tonnes have been developed to replace the 105-tonne dump car. The capacity of the body has increased from 48.5 to 68 cubic meters by increasing its size. The use of large-capacity eight-axle dump cars creates problems related to the limitation on linear size of the car-dump truck with the dimensions of rolling stock, and to the growth in the axial load. This is associated with additional expenditures for building and maintaining the line's superstructure.

Transportation systems as a whole must also be improved through the introduction of diesel-trolley trucks and plans for continuous-flow technology using conveyor trains and conveyors.

Preparations for blasting an area in an open-cut mine acquire a special meaning. Managing the action of the blast often is related to increasing the standard expenditure of VV [explosives] and to the complexity of ventilating deep open-cut mines to remove blasting byproducts. With a zero or positive oxygen balance the carbon monoxide content in blasting byproducts decreases.

With the increase in the depth of open cuts, the ecological situation becomes more difficult due to the deterioration of natural ventilation conditions. Here large-capacity dump trucks pose the greatest danger. They emit harmful exhaust and stir up large quantities of dust, the concentration of which exceeds the PDK [highest tolerable levels] by a factor of 5-10 and more.

As a rule, coal deposits in the Kansk-Achinskii coal fields are characterized by the horizontal occurrence of extensive coal layers and by a relatively soft overburden rock. Both coal strata as well as enclosing rock permit the use of continuous-flow technology. In this region open-cut coal mines with a capacity to yield up to 30 million tonnes of coal are in operation, and new yield capacities of up to 55 million tonnes of coal annually are being developed. High-output domestic rotor units with a productivity of up to 5,000 tonnes per hour, working with railway and conveyor transport, are used to finish off coal layers.

The mining of the rock mass of overburden rock is carried out using transport, transport-stockpile conveyor and non-transport working systems. At Nazarovskii open-cut mine, the ESh-100/100 walking dragline, one of the largest in Russia, with its 100 cubic meter capacity bucket, is used.

The successful use of powerful mining equipment is determined to a large degree by indicators of efficient use. Here we have considerable reserves because in a number of cases the use of excavation and transport machinery is below its potential.

Deposits in Eastern Siberia and the Far East are mined using non-transport and combined technologies with the application of classical excavating methods and basic equipment. In the open-cut mines of Vostsibugol Association a great deal of attention is given to improving blasting operations and to finding new excavation methods employing blast delivery of rock into exhausted space. Here the blast delivery indicator often reaches 40 percent.

The variety of geological conditions in mining regions, and the properties of coal and enclosing rock have determined the appearance of new technologies and equipment. Practically all of the known traditional technologies and the basic types of mining and transport equipment are utilized in the region.

Improving mining methods and equipment is integrally related to questions of natural conservation. The imperfection of mining technology and equipment results in

considerable losses of coal and creates the prerequisites for the start of endogenous fires in spent-material dumps. On the whole, the effectiveness and scale of natural conservation work being done continues to lag behind the pace of development of mining operations and the demands of the times.

Radical restructuring of management of the national economy and the transition to complete self-supporting production and to economic criteria for evaluating operations make a priority of new methods for managing scientific-technical progress (NTP) with ongoing renewal of accumulated potential of technological solutions and equipment.

A priority NTP direction involves the development and implementation of progressive non-transport and transport-stockpile conveyor technologies using one-shovel excavators, uninterrupted-action excavation and transport technology, and cyclical-flow technological schemes with a consideration of specific mining-technical conditions in individual regions of Russia. To implement these directions the following is planned: the introduction of more effective technological plans with efficient parameters for walking draglines and their modification; the introduction of highly-productive extraction and stripping complexes with face and road conveyors, and spoil stackers; the development and introduction of excavators converted to hydraulic operation, with a productivity of 3150 cubic meters per hour, as well as hydraulic one-shovel quarry excavators for finishing off complex coal strata; the creation and introduction of new drills with a diameter of 215-400 mm for directional drilling; and the development and introduction of fundamentally-new milling machines for complete mining of coal layers.

The development of quarry transport will move in the direction of increased productivity, dependability, and suitability for repairs. In the area of railway transportation, we see an increase in the scale of use of hauling machines employing both alternating and direct current, in the capacity of dump cars, and in the use of conveyor trains based on line power units.

The general direction of development in motor-vehicle transportation will involve the transition to large-capacity dump trucks and coal trucks, as well as the use of diesel trolley trucks. In addition to improving traditional technological mining processes, it is essential to seek new approaches, particularly concerning the layer-by-layer working of rock-coal areas using new generations of mining equipment.

We think that the directions being taken and problems in development of open-cut coal mining can be of interest to participants in the present forum and can become the subject of business partnerships.

Within the practice of open-cut mining, in recent years we have seen primarily traditional paths of equipment

research and development, which occurred with noticeable lags behind that which is possible. At the same time, a certain scientific-research project has been started within the branch to develop new models of drilling equipment and excavation equipment with cyclical and uninterrupted action, as well as new technologies.

Accumulated scientific-technical potential exceeds domestic possibilities for complete implementation, which attests to the need to prioritize prepared solutions, giving preference to those which are capable of being effective in the nearest possible future.

Of special significance under contemporary conditions are questions of ensuring the longevity of individual mining equipment units as a whole, which in the final analysis will determine efficient use as well as cost indicators.

The problem of increasing the longevity of teeth on shovel excavators and on cultivator crowns of bulldozers in particular has resulted in the development of a new geometric profile that produces automatic control of the interactive process between the machine's working surfaces and the rock that is being broken up. Because of the curve of the working part of the instrument, in the vertical plane the design rigidity of the instrument increases by a factor of 2 as compared to the mass-produced wedge-shaped instrument.

The teeth that correspond to the new geometric profile were developed for the shovels of domestic EKG-5, EKG-8, EKG-10, and EKG-12.5 excavators, as well as for excavators RN2300, Marion 201M, and Marion superfront 204M excavators of the Kharnishveger firm, the SRS(K)-2000 rotary excavator, as well as the ChTZ-130, ChTZ-170, T-500, and T-2501 bulldozers, and the Japanese Komatsu D355A bulldozer. Comparative testing of equipment carried out under different climatic conditions, as well as under low-temperature conditions, on granite, argillite and sandstone showed the inarguable advantage of teeth that correspond to the new geometric profile.

Tests conducted at the Sibirskiy, Mezhdurechenskiy, and Bachatskiy open-cut mines, as well as at the Musanskiy Iron-Ore Open-Cut Mine (KNDR [Democratic People's Republic of Korea]) showed an increase in the resource of no less than fivefold.

Tests on bulldozer crowns at Neryungrinskiy and at other sites showed an eightfold increase in the resource. The developed design decreases the power load, increases crack-resistance, and raises the dependability coefficient.

The shovel teeth of excavators and crowns do not require readjustment in the course of work, in contrast to mass-produced wedge-shaped equipment. This decreases idleness of equipment and correspondingly increases longevity.

On the basis of what has been said, we foresee forms of cooperation which encompass the development and export abroad of shovel teeth and crowns of any modification, as well as the assimilation of production and introduction of technologies with the simultaneous sale of licenses abroad. Joint development of patents, etc., is also possible.

The creation of conditions for the normal operation of open-cut mines through the implementation of technical and biological natural conservation measures should accompany new technologic and equipment decisions. At the same time, these new decisions should be economical.

The development of open-cut mining was facilitated by success in domestic machine building. On the other hand, it is possible to ascertain the lack of coordination between the pace of accumulation of scientific-technical potential and its implementation. At the same time, pioneering scientific elaborations were fundamental in nature and stimulated the development of new one-shovel excavators and rotary units with a productivity of up to 8,000 cubic meters per hour, powerful hauling machines with a linkage weight of up to 37 tonnes, and large-capacity dump trucks and drills. New engineering designs also include the extensive use of rotary excavators to work off overburden rock and coal. We are speaking about domestic rotary excavators for work in a cold climate (up to -40C degrees) with a scooping force of up to 23 kilograms per square centimeter.

The renewal of technology and equipment are decisive factors because they are assigned the main role in neutralizing the negative effects of deteriorating mining engineering conditions on technical-economic indicators for mining operations. The expansion of the sphere of utilization of rotary units is related to increasing the per-unit scooping force. In a number of cases, this sphere may also be expanded by assimilating ecologically-clean technologies to weaken the tract that is to be mined.

The preliminary weakening of the tract that is to be mined is implemented by the physical-chemical action of PAV [Surface-active substance] water solutions and electrolytes, which will allow us to significantly increase the effectiveness of excavation processes. The weakening of a tract occurs when small and large cracks are filled with the PAV solutions, and through capillary action and surface tension. Numerous natural tests under production conditions in Ekibastuz and the Kuzbass confirmed the correctness of the hypothesis. Compared to weakening the area by blasting, the measurement results showed a 20-30 percent increase in productivity of rotary units and a significant decrease in power-consumption during excavation (30 percent) as well as in the impact coefficient.

The developed and approved methodology for weakening rock can become the basis for business-like cooperation in the direction of extensive utilization of this methodology in Russia and abroad. The methodology is

not limited to the excavation process alone. In all cases, PAV water solutions facilitate decreased dust formation and an improved general ecological condition because of a curtailment in the amount of blasting that must take place.

On the threshold of a new level of progress, it is extremely important to have reliable information about the properties and condition of a tract that is to be mined in order to control the stability of benching and terrace slopes and to establish the optimal network of blasting wells.

The prediction of the properties, structure, and condition of the tract is implemented with the aid of modern geophysical methods and, first and foremost, high-frequency seismology. Geophysical control must become the integral link in the entire technological chain. It acquires special significance for carrying out blasting operations. The condition of the rock becomes the determining factor in quality preparations for both the fragmentation of the rock by blasting and the moving of overburden rock into the space created by the force of the blast.

Growth in scale of mining output from open-cut mines is integrally tied to increasing the volume of blasting preparation of rock for excavation. In 1990 the volume of blasting operations reached 1 billion cubic meters of mined volume annually. By the year 2000 this amount will increase even more.

Considering the fact that to a large extent the quality of the fragmentation of rock by the blast determines the effectiveness of using basic technological equipment, and that the volume of blast energy utilized will continue to grow, the task of making up for the very acute shortage of industrially-produced explosive materials by means of explosive materials prepared from nonexplosive components directly at open-cut mines becomes a priority. Here the question of developing water-resistant brands of VV acquires special importance in connection with the increase of submerged rock.

An important achievement of foreign firms in recent years has been the development of trotyl-free water-resistant explosives with a new generation of VV emulsifying agents, as well as mixtures of emulsions and granulated VV with the simplest composition, such as the "emulan" type.

Cooperation between Russian scientists (IGD imeni A. A. Skochinskiy) and Swedish specialists (Nitro Nobel Firm) within the framework of the Nitro Sibir Joint Enterprise, which was created in 1991, has enabled us, in the shortest possible time, to develop a new composition for the VV emulsions, which has been named "Sibirit." Its base is components produced in Russia. It is important to note that with high energy indicators these VV emulsions decrease harmful effects on the environment (the output of poisonous gases decreases by a factor of 4-5 as compared to industrial VV).

The low cost of the basic materials in conjunction with water-resistance, effectiveness of fragmentation due to blasting, and safety of production characterize the VV emulsion composition best. The area of use of these VV and their modification in open-cut mines exceeds 30 percent of the total volume of VV use.

In order to use these VV, the Neryungrinskiy Repair-Mechanics Plant has readied the first samples of trotyl-free module units for the preparation of VV emulsions directly at open-cut mines. At the present time, with the participation of the Nitro-Nobel Firm, blasting charge machinery as well as equipment to utilize the waste products of VV production are being developed. There is reason to believe that the number of partners involved in research and development of such technology will increase.

The ongoing renewal of methods and equipment is the reason for the need to find new approaches to decreasing the production cost of extraction and to increasing other results-oriented technical-economic and socio-ecological indicators. This will enable us to determine the priority tasks related to studying the condition of the tract that is to be mined and characterizing its physical-mechanical rock properties.

In a more general form the direction of priority research in the area of open-cut mining of hard minerals includes the following: a study of the condition of the rock in the tract and the development of special means of ongoing geocontrol and prediction in order to control mining processes; and control over the stability of slopes of rock tracts having a complex structure under conditions of extensive pressure.

In recent years the branch has created a reserve for improving and expanding the sphere of application of non-transport technologies on the basis of modifications of new dragline models.

The lag in the technical level of domestic excavators as compared to foreign analogues is manifest first and foremost in the manufacturing quality and dependability of automated control systems for electric drives and diagnostics. The technical level of metal designs of domestic machines is, for all practical purposes, not inferior to the level of foreign technology.

Technological elaborations attest to the possibility, in principle, of using large American model 2570-W draglines (Byusayrus-Eri) and the 8750 and 8050 (Marion) models for the open-cut mines of Eastern Siberia (the Tugnuyskiy and Mugunskiy open-cut mines). At the same time, the problem of purchasing draglines abroad has not yet been solved.

From our point of view, the preferable variant (as opposed to the purchase of equipment) could be a business partnership in the area of Russian-American joint production of large draglines for their subsequent use in Russian open-cut mining. In this case Russian

plants (Uralmash AO [Joint-stock company] and Krastyazhmash GP [Government enterprise]) would manufacture the basic metal structures (frame and support block, toothed rim, support-rotation device, rotation platform and others), but electric machines, control and diagnostics systems using microprocessor technology, automated lubricating systems and fire-extinguishing systems, and hoisting and hauling cable would be obtained from abroad. This type of partnership would result in the curtailment of the period needed to implement a project, would raise its technical level, and would decrease the cost of manufacturing machines.

The search for ways to increase the effectiveness of open-cut coal mining has created the need to make a transition to non-traditional, ecologically-clean technologies for non-blasting working off of coal and overburden rock on the basis of the KSM-type cutting-loading unit developed by the Krupp firm.

Industrial approval of the unit at the Karter open-cut mine in the U.S. has demonstrated the possibility of developing a Russian variant on its basis, while considering the mine engineering conditions of domestic coal deposits.

Today, within the framework of implementing an international project for creating new methods and means of coal mining, the efforts of specialists from Rosugol, the Kuzbass, the Krupp firm and the Izhorsk Machine-Building Plant have been combined. We must assume that the joint manufacture of units will result in a curtailment of the implementation period and in a drop in production costs.

The tasks examined here attest to integral ties and general interest in efficient energy use. In the final analysis, all of this will open up ways to increase the effectiveness of open-cut coal mining and the proportion of coal within the fuel and energy balance of Russia and its partners.

Minister on Railway's Role in Economic Development

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[Interview with G. Fadeyev, RF minister of Railways, conducted by N. Davydov: "The Backbone of Russia's Economy"; date and place not given]

[FBIS Translated Text]

[Davydov] Gennadiy Matveyevich, next year will mark the 130th anniversary of the founding of the Ministry of Railways in Russia. How do you, the director of one of the country's leading sectors, evaluate this historic fact and the role of railroad transport in the development of the state's economic potential?

[Fadeyev] If you trace the situation in the state during this historic period, you will be able to come to the

conclusion that, during the whole time, railroad transport has been the backbone of the country's economic complex. Because Russia is above all—vast distances. It would be impossible to set up optimum freight and passenger transport without the railroads. Incidentally, it is this that accounts for the rapid rates of mainline construction at the end of the last and beginning of this century, and the development of the sectors of industry that work for its needs.

Not a single state can be economically strong without a harmoniously developed economic complex. Our predecessors were well aware of this when they utilized every possible source of financing, including private and foreign capital, to lay new railroad mainlines. Since the situation in the country at that time was stable, and capital was reliably protected, entrepreneurs unhesitatingly invested funds in the promising cause.

Also strategically important was the fact that, with the development of the railroad network, came the development of the regions of the Urals, Siberia, the Far East, Kazakhstan and Central Asia. Figuratively speaking, the whistle of the steam engine roused vast expanses of Russia to a new life. Cities began to grow up, and large industrial centers appeared where they laid the rails. I will say more—without Russia's Transsiberian Railroad, it would be very difficult to retain the Pacific Coast for ourselves.

[Davydov] Has the role of the directors of the railways and of highly educated transport specialists and scientists in Russia always been important, and particularly so in the period of intensive construction of new lines?

[Fadeyev] Absolutely. The leaders of railroad transport at all stages were people who enjoyed well-deserved prestige among the heads of state and government. They all had a great deal of experience and political weight in the country. The names of P. Melnikov, M. Khilkov, S. Vitte, K. Posyet and V. Beshchev need no comment. The scientists N. Petrov, N. Beleyubskiy, V. Obratsov, G. Perederiy, M. Kostenko and many others, known throughout the world, made a great contribution to the development of railroad science and technology.

The role of science must be particularly emphasized. All our railroads were built in accordance with domestic designs, and primarily from domestic materials. The Petersburg-Moscow line was laid in accordance with designs of P. Melnikov, D. Zhuravskiy, N. Kraft and others. P. Golubitskiy made the first experiments in using electric traction as far back as the 1870's. A. Borodin set up the first laboratory in the world for locomotive testing, and P. Golubitskiy used telephone communications to regulate train traffic.

This means that domestic transport specialists and scientists made an invaluable contribution to developing the country's railroad network and improving organizing operations work.

[Davydov] How would you characterize the Soviet period in the history of the railroad?

[Fadeyev] After the revolution and the civil war, railroad transport was in a sad state. Steam engines, uneconomical for those days, were in operation. Staffs [tokens of authority to proceed on single-line railways] and telegraphs were used to control traffic. By the end of the 1920's-beginning of the 1930's, however, intensive re-equipment of the mainlines began. True, World War II interrupted this process—during that time, tens of thousands of kilometers of track, more than 10,000 bridges and about 4,000 stations were destroyed.

On the eve of the 50th anniversary Victory celebration, I should like to remind the new generations of our citizens that Hitler's Germany suffered a crippling blow to a considerable extent because of the high degree of organization and self-sacrifice of the workers, or rather, the fighters of the steel mainlines. We are still very timid about writing and speaking of this feat.

In the postwar years, along with the restoration of the ruined track and manmade structures, mass introduction of electric and diesel locomotive traction began. This was an essentially revolutionary approach, with its roots in the changed transport technology. It was at that time that we began the industrial output of high-capacity railcars, equipped with automatic couplings and automatic brakes. Heavy-duty rails were laid on the main routes of the network, and devices for mechanization, automation, telemechanics and advanced means of communication were introduced.

All this made it possible to lay a firm foundation for increased railroad throughput. Our mainlines emerged in first place in the world with respect to many operations indicators. The railroad workers provided fully for the freight and passenger transport needs of the country's national economy.

[Davydov] You became minister in a difficult period. The railroad network of the former Union ended up being separated along national boundaries. Many problems, both organizational and technical, have arisen. On what have you had to focus your main attention?

[Fadeyev] In this situation, we have above all had to create a new system of management for Russia's railroad transport, and preserve the unified principles of interaction with the roads of the Commonwealth countries. In a short time, we prepared the political basis for formation of an interstate Council on Coordinating the Activity of the Railroads of the Former Union. The principle of unified technology for the transport process formed its foundation. As we know, the Council on Railroad Transport has become one of the most efficient and successful bodies within the framework of the CIS.

At the same time, control of the Russian railroads was maintained, since the MPS was preserved, with economic independence of the railroads. In this sense, the

edicts of the President, "On the Formation of the Russian Federation Ministry of Railways" and "On the Special Features of Managing the Enterprises and Facilities of Russian Federation Railroad Transport," as well as the government decrees which approved the statute on the Russian MPS and adopted a program for state support of transport operation, became the founding documents for stabilizing railroad transport work.

Next we are faced with a great deal of work to develop domestic rolling stock—locomotives, freight and passenger cars, tank cars, suburban trains. After all, a considerable part of the corresponding manufacturing plants have ended up outside Russia's borders. We have also found understanding from the president and the government here. Special programs, aimed at solving the most important problems in transport and adapting it to the conditions of market relations, have been prepared, approved and begun to be put into practice. These are, in particular, programs to raise the quality of suburban transport, ensure safety in railroad transport, reorganize the sector structurally, develop domestic locomotive building and increase the output of passenger cars.

Once again I wish to emphasize that at this stage we have succeeded in finding forms of management for transport work which have, to the maximum degree and, the main thing, organically, joined centralized forms of transport process management and the economic independence of the railroads. It is particularly important that these principles have been fully supported in all regions of Russia.

[Davydov] With the national economy's transition to market rails, the financial aspect of the sector's activity, and indeed, many former economic postulates in general, have changed substantially. How have you overcome the difficulties that have arisen?

[Fadeyev] Russia's railroads, with respect to extent and the volumes of work performed, are the largest transport system in the world. In the course of the entire period since the liberalization of prices, the sector has been working stably, and provides the necessary volume of freight and passenger transport. Despite the considerable reduction in industrial and agricultural production and correspondingly, the amounts of freight offered for transport, most of the roads have been able to adapt to the new conditions. Due to the creation of additional work places, we have succeeded to the maximum in retaining our personnel, and the transition to economic methods of management has made possible material protection of the workers. Construction of housing, preschool institutions, hospitals and polyclinics has continued, through the use of working capital. All these things taken together have contributed to the confident work of the sector.

This by no means signifies that everything has come easily for us. First we were forced to adapt to inflation, non-payment and disruptions in the work of the banking system, and after that, to seek active forms of interaction with the clientele and suppliers of the goods used by

transport. I have in mind the General Agreement between the MPS, Mintopenergo, Goskommetallurgiya, the "EC Rossii" Russian Joint-Stock Company and the Rosugol GP on joint actions to stabilize prices and cut down mutual non-payment. That is, we have succeeded in coming to an agreement on the approved indexing of prices and tariffs, which has given a perceptible effect in the last one-and-a-half months.

[Davydov] Unfortunately, by no means all the financial-economic problems have been solved, and railroad transport, left under federal ownership, is experiencing many difficulties.

[Fadeyev] Our position in the general transport complex is quite stable. Railroad transport accounts for 65 percent of the freight and 49 percent of the passenger transport. We have succeeded in checking debtor indebtedness. But... We do not expect any increase in freight and passenger turnover in the next year. Indeed, we do not foresee any budget subsidies either.

The sectorial staff is already working out a strategy of action for the coming year. Not everything has been thought out in detail yet, but the basic directions in the details for strengthening the economic position will probably include: cutting production costs, increasing additional sources of financing through non-traditional activity and expanding interaction with market structures and the role of subdivisions handling marketing on the roads and divisions.

In a word, in the next two months, we and the roads are to work out and adopt a program for further actions to strengthen the sector's financial-economic situation next year. We cannot, of course, completely foresee the way the situation is forming, but nevertheless, we must basically prepare for it, so that transport can function stably, and our people will have social protection.

[Davydov] A collegium was held recently, and it discussed the problems of high-speed traffic on Russia's railroads. It was a question of the need to integrate our transport arteries into the unified European system of high-speed railroad service. What are the prospects for this plan?

[Fadeyev] Recent negotiations between the directors of Russia and Germany created a sound political basis for deepening the cooperation between the Russian and German parties in the sphere of railroad transport and machine building. Next is the preparation of an interdepartmental agreement among the transport departments of Germany, Poland, Byelarus and Russia on creating a through railroad corridor for container transport between Moscow and Berlin. It is proposed that these freight consists will run twice a week. This will be the first specific step toward integrating our railroads into the European transport system. I will say frankly, we overlooked the development of container transport for a certain time. Today there is a real possibility of expanding the boundaries for the use of express container trains.

We have already begun to rebuild our rails, with the aim of bringing them into conformity with European requirements. There should be unified technological norms and principles for rolling stock operation. There are, of course, difficult problems here as well, in particular, the difference between standard European rails and the wider Russian ones. This problem should be solved with the aid of sliding wheel pairs.

As for increasing passenger train speed, we have an idea to solve the problem. It specifies increasing speed by stages, on the existing St. Petersburg-Moscow and Moscow-Minsk-Brest lines, to 200 kilometers an hour through modernizing and rebuilding the tracks, man-made structures and power supply, STsB [signaling, centralization and blocking] and communications devices. We are also designing and building special mainlines, on which the consists will make over 300-350 kilometers an hour.

[Davydov] Passengers who use railroad transport services quite often send GUDOK complaints expressing dissatisfaction with the work of the conductors and ticket office workers, the sanitary state of the railcars, the low level of service at the terminal snack bars, the baggage rooms, etc. Every year these questions are discussed at the collegiums and selector conferences, but very little changes for the better. Is there any hope of a radical change in the situation that has formed?

[Fadeyev] The passenger sphere is one of the greatest sore spots, an area of justified reproach to the sector. In reality, we have talked a lot about the situation in the passenger service, but at the sites—on the roads and divisions—no purposeful work has as yet been done to recruit and give high-quality training and education to personnel involved in serving passengers. Comparison with foreign experience here is clearly not in our favor.

There are, of course, objective difficulties. The passenger car fleet is obsolete, and budgetary investments in the sector have been cut back sharply. The rates of updating the railcar fleet are dropping accordingly. After all, though, facts indicate that many roads have not set up the proper monitoring of rolling stock, including suburban electric and diesel trains. It would seem that a sectorial standard has been worked out, but they nearly always deviate from it. You have only to look at any suburban electric train and you can see lamp shades dangling, and half of them, by the way, do not light. The windows are dirty, and under the seats there is rubbish and empty beer and juice cans and bottles. One gets the impression that they sometimes make no check at all of what kind of consists go out on a run.

N. Aksenenko, the recently appointed deputy minister, who will be in charge of passenger service, will, I hope, succeed in organizing the battle against these and other negative phenomena and, with the active support of the collegium, will raise this work to the level of today's requirements.

[Davydov] The memoirs of S. Vitte, who, as we know, was both minister of Railways and minister of Finance, contain this revelation: "The ability to call in talented associates is one of the most important merits of administrators for major affairs, and for state affairs in particular." In your opinion, is this really an important quality for a director?

[Fadeyev] What kind of director would it be who was not in a position to understand people. Vitte, however, also has interesting ideas about board management.... I think that the MPS collegium is acting correctly when, in reconfirming the managerial staff of the roads, it gives priority to evaluating people's business qualities, but does not forget, so to speak, about the external appearance of a candidate for a high office. After all, a transport commander is the face of the sector. The clients, and indeed, the passengers, seeing our smartness and organizational ability, will judge the qualifications of the personnel serving them accordingly.

[Davydov] The fact that, in today's difficult situation, railroad transport, as no other sector of the national economy, continues to function stably is undoubtedly a credit to all our workers. Obviously, however, we must pay our respects to those who created such a stable transport system....

[Fadeyev] You are absolutely right. The highly developed network, with high-capacity approaches to ports and oil and gas regions, and with handsome bridges across the mighty Siberian rivers, was created through the efforts of several generations on the vast territory of Russia. We bow low to them for this.

Our potentials are not being fully claimed right now, of course. Many large sorting stations are not being used to their full power. I think, however, that after a while they will certainly start working in full swing. Our main task is to keep the available potential in efficient operating condition.

I feel that it is particularly important that we have maintained our system of public health and personnel training. We must not forget, however, that it is impossible to continue the line of a strong social policy without ensuring the stable and efficient functioning of railroad transport. Now, as never before, we need professionalism and need to have each railroad worker perform his duty conscientiously. The history of Russian railroad transport has more than enough examples of honest fulfillment of civil and professional duty. We must make use of them in bringing up the young generation.

POLITICAL AFFAIRS

Overview Of Crimean Political Events

954K0117A ROSSIYA in Russian No 39,
12-18 Oct 94 p 6

[Article by Svetlana Tumanova: "Investigation: Crimean Conspiracy"]

[FBIS Translated Text] Simferopol—What is fall? Fall is putsches. Fall burns ships not just in the sky. Just below it all manner of coups and putsches have a habit of occurring in fall or on its threshold. It seems that something happens to statesmen's minds at about this time. Since this year's summer in Foros was no less hot than during the time of Mikhail Sergeyevich, and the first Crimean Supreme Council that sunned there is no less revolutionary than the Soviet Union's first president and his Russian successor, an epidemic has spread to the peninsula. Who knows, if the parliamentarians on the south shore had drunk dry wine, which creates an acidic medium, and not the brandy that doctors forbid and causes rose-colored mirages, they would not have caught the virus of "putschism," which, for an ailing state, is more dangerous than cholera. If "fall is always right," Crimea will have to bury its spring dream—to develop into a full-fledged state—under the falling leaves and instead cling to the skirts of your beloved nanny.

The Ukrainian Supreme Council has directed the Crimean parliament to bring its legislation into full conformity with Ukrainian law by 1 November. As a result, only the signpost of the proud Republic of Crimea will remain: De facto and de jure, it will be resemble an ordinary oblast that, needless to say, will not have its own presidents, constitutional courts, or treaty-based relations with the center, except for the principle of unconditional subordination. In the event of disobedience, the Ukrainian parliament is free to dissolve the Crimean parliament, the power to do so having been codified in the Ukrainian Constitution in an amendment adopted a few days ago. On the other hand, a "special state with direct presidential rule" could be imposed, as L. Kuchma, the "guarantor of compliance with Ukrainian law," has assured he would do in no uncertain terms. To carry out his call, "Fellows, let's live together in harmony," it is no accident that he dispatched to Crimea his authorized representative, Deputy Prime Minister Ye. Marchuk, who has experience as the director of the Ukrainian Security Service and is the government official in charge of national security and defense.

A delegation of Kiev parliamentarians that studied the situation on the site found "sordid" actions on the part of both sides and is inclined toward the option of immediately abolishing both branches of government in the autonomous entity. Certain Crimean deputies have also called on them to do just that. The leader of the Sevastopol people's council, the not-known Russian patriot A. Kruglov, has himself admitted that he would

like to see Kiev provoke Crimea into taking countermeasures that would hasten Ukraine's collapse. Also in question is the consolation offered by the prediction of "Crimean astrologers" that the same sort of mess will break out between the branches of government in Kiev before fall: That the authorities there will not have time for the "prodigal son" and will "let go of the reins," which it will not be able to recover. But haven't the lovers of freedom stuck their own heads in the yoke by crying out not only to Kiev and Moscow, but also to the UN, the Conference on Security and Cooperation in Europe, and the world community about their inability to quietly and peaceably share power among themselves and, it is no secret, the property that stands behind that power? Greed has gotten in the way of reason. And the best way to separate the silly fools is to take away the toy they are fighting over.

'Obstacles' As a Means of Cuckolding

The government powers over which the battle broke out are essentially playthings for both sides. The law on the presidency was drafted under Nikolay Bagrov and guaranteed him primacy in the state and over parliament. But the Constitution, in voiding the presidency, was intended for an event in which fortune might not smile on Nikolay Vasilyevich. Both laws were adopted under the virtuoso direction of the former speaker, thanks to which they are based on two mutually exclusive alternatives: Once we set the date, there will be a choice.

On the eve of the election, official Kiev not only did not oppose but actually welcomed the idea of a Crimean presidency, an idea that offered it a unique chance to use the general election to install its own governor-general at the helm of the obstinate republic. But when the seat intended for a "loyal Kravchukite" was occupied instead by Kiev's number one political foe, Kiev made every effort, up to and including sending the national guard and armored personnel carriers into the peninsula, to sweep away what was now an "illegal" presidency and block elections to the Supreme Council, which threatened to give total victory to the Meshkov bloc.

Could Leonid Makarovich have dreamed in his worst nightmare that everything he did not dare or did not have time to do about the republic from above could be finished from within by the Republicans themselves virtually, having hardly even come to power?! Without question, he could have. It is no accident that a defeated N. Bagrov, after a trip to Kiev, promptly straightened his shoulders and gathered journalists at a press conference to inform them: "It's not over yet." Herein lies the key to the mystery as to how to divide and conquer any bloc by putting legislative obstacles in its way with respect to government leadership. In this sense the legacy of the seasoned party apparatchik proved truly brilliant.

Love—Don't Expire on the Bench.

When the Russia bloc, barely having won power, collapsed into utterly shapeless parts, the question "was

there a bloc in the first place?" seemed rhetorical. One could hardly describe as monolithic the Brownian movement that seethed around the coronated president on the eve of the parliamentary elections. As the voters later conceded, they had seen the faces of none of his "bloc" associates: They voted blinded by the signs "Russia + Meshkov = love." And blind love, as we know, is evil and short-lived, especially in government. It is not surprising that the Meshkov bloc, after getting its entire party slate elected to the Supreme Council and gaining two-thirds of all the seats in it, greatly cooled toward the president. And then it came to light that those lifetime partners included quite a few "polygamists" who had outside interests and had formed an alliance with the president to advance their own ends. And while in life situations of this sort, legislation provides for the possibility of annulling a fictitious marriage, in politics, as practice shows, there are no codes to govern a civilized divorce of rivals who have gained access to the feeding trough.

The voters, on realizing they had made a mistake, but having no law for recalling deputies, could only wish cholera on the dishonest politicians—hardly the best means of expressing a lack of confidence. And the president, stripped of all powers, could only cover his face with his hands when his erstwhile associates, after becoming inveterate enemies, threw large stones at him. Not even six months had passed when they declared, without any trial or investigation, the popularly elected president to be a "state criminal who belongs in jail." Mavr did his work, Mavr can be thrown in jail. For whom was the government Mount Olympus being cleared? Taking a close look at how the action unfolded, it is easy to see that it was directed by a master of political intrigue, and hardly by novices from the streets who had been brought in for a "crowd scene."

Who Is the Master of the House—That Is the Question.

Calculations that, for the Republicans, the distance between love and hatred was exactly the same as that between a presidential republic and a parliamentary one were accurate. The Supreme Council took the bait, immediately taking the decisive step of reinstating the Constitution of two years earlier. Crimeans scratched their heads: Why, for the sake of two progressive factors—the right to dual citizenship and treaty-based relations with Ukraine—should they totally replace the Constitution, instead of amending the existing one? As a result, even though independence had been raised up on its flag, Crimea, on the contrary, lost a great deal, without its own police, justice system, security service, and television and surrounded by the economic blockade with which Kiev responded. On the other hand, the people's deputies, as they saw it, got a constitution adopted long before the law on the presidency, when the Supreme Council was the sole supreme government body in the republic. The systematic destruction of the system of "vertical" rule led to total paralysis of government, in which any change, including economic change,

became unrealistic: Presidential directives hovered between the two "branches" like kisses blown by the queen of England.

The culmination of the "velvet" overthrow of Meshkov, who was clearly being urged to settle the matter by force, was the effort to bring the law on the presidency into conformity with the Constitution and to simultaneously amend the Constitution, as a result of which the chief of state became head of the executive branch without the right to form the Constitutional Court, to name local chief administrators, to call referendums, etc. The abolishment of virtually all his powers, even ceremonial ones, was naturally followed by the question of the usefulness of the presidency as such. When the parliament's plan became obvious, and its determination was firm, Meshkov agreed: "One of us has to go." He proposed that the people be given the right to choose. As they tried to pull blanket of power away from each other, that was probably the only honest solution for both sides. But the architect of the scenario was clearly not Andersen, and such principles as integrity are not to be written into the Constitution: The parliament, as he assured, is guided solely by that.

True, it is convenient to use the law as a cover when you have unlimited power to change it as you please. History knows many crimes that were perpetrated in the name of a law devoid of moral principle. In Meshkov's opinion, that principle could be only the express will of the people: "The president is endowed with full power as a result of the popular vote, and no one except the voters has the right to strip him of those powers and to tailor the Constitution to fit his own needs, without asking the consent of the people." According to the plan of the behind-the-scenes prompters, the president, given his inability to assert his conviction by legal means, would ultimately snap. As a result, on September 11 Meshkov did indeed sign a package of "unconstitutional" decrees on drafting a new Constitution, to be put to a Crimean referendum, and on dissolving the councils and holding subsequent elections to a legislative assembly and local self-government bodies, and this played into the hands of his foes. In an exclusive interview with the newspaper ROSSIYA, the president assured that the reorganization of representative government bodies that were not performing their function in their current form was an objective and urgent need facing all republics; the only difference was the time and price.

The moment chosen to remove the "vestige" in this case can hardly be called opportune, and hence the cost as well. It seems that the answer "by the same end and in the same place" seemed to the president at the time to be not an end but a means of inducing the obstinate parliament to accept a "zero option." It is noteworthy that the idea of an unconstitutional dissolving of the councils, as presidential press secretary V. Lebedev reported, came from the director (now ex-director?) of the state affairs service, V. Minin, known behind the scenes as a "gray eminence" who serves an unidentified

majesty. Another document that "sullied" the reputation of the popular idol—an appeal to the Ukrainian Supreme Council and president in which Meshkov lashed out at the parliament for its "pro-Russian extremism" and called for upholding the inviolability of borders—was also penned by one of the Moscow aides. Although the president did not agree with that opus and gave assurances that he had not sent any messages to the Kiev authorities but had appealed solely to the Russian president, the mass media gave wide publicity to the damaging "pro-Ukrainian" materials.

It must be admitted that the president made a whole series of tactical blunders in which he was done a disservice by his closest associates (either through incompetence or out of other considerations). Meanwhile, the parliament acted cunningly if not wisely, and firmly if not honestly—and with a guarantee that it could successfully block his election platform.

What Temporaries, Get Out of Here!

The closing ceremony of "Russian patriotism" was the expulsion from Crimea of the "imported government" that came from the very Motherland to which the deputies pray in vain. What "honors" were not bestowed on those "brothers" and "sisters" after hardly having set foot in the foreign monastery: "Varangians," "foreign philosophers," "dacha owners," "rogues," "highway robbers." The Muscovites' dishonest plans to profit from Crimea's resources were never implemented. But the fate of the "caliphs for an hour" had been predetermined from the outset. Only a pretext was lacking in order to execute the long-standing sentence, and the search for that pretext developed into an outright farce. First they wanted to dismiss Ye. Saburov, who had been sent to Cheboksary to reach an agreement on food deliveries, for absenteeism, after scouring the Labor Law Code. But then, by a majority vote, it was decided to prolong the pleasure. It was demanded that Saburov, returning to clapping and stomping, perform a "swan song"—a report on the economy's readiness for winter. It is no accident that the deputy prime minister's voice trembled and he nearly became ill. It is not that he was not up to the test, but that the "examiners" in reality had little interest in the coming winter; they were much more interested in using the opportunity to use the "great reformers" as whipping boys.

True, the Saburov team did not succeed in turning Crimea into a Hong Kong or Switzerland, and not even into a ruble zone (which they had not even promised, incidentally). However, it had achieved a great deal in a short span of time. Major Russian banks opened offices on the peninsula, easing the settlements problem; Crimea got its own interbank exchange, which attracted foreign currency; thanks to a new tax system, more than 200 (half, that is) of Crimea's industrial enterprises were brought back to life; the republic's revenues in the second quarter were double the previous indices, and for the first time the budget was fulfilled at a rate of 80

percent, something that far more prosperous neighbors with budget deficits cannot boast of. Several times more gas was in storage than the year before, and favorable contracts were concluded on deliveries of food, energy resources, fuel, and lubricants from Russia, Tatarstan, and other parts of the ex-Soviet Union and foreign countries. An agreement was even reached on solving the water supply problem by means of Russian wells, and all possible measures were taken to ease the winter.

With the resignation of the Muscovites, the general director of a leading firm noted, it may be that the economic crisis that Crimea is now experiencing will be remembered as a time of prosperity: There are no specialists of such caliber in the local labor pool, and hence the peninsula's fate is up in the air. The unique programs for reforming Crimea's economy, programs that had gotten the go ahead and guarantees of support from both Kiev and Moscow, met with fierce local resistance that would not allow them to be tried. Even if the members of Saburov's team were wonder workers and brought about an "economic miracle," this would not have changed the sentence. Finding no substantive arguments, the parliament rendered a verdict that the "Varangians" were to blame for the drought, cholera, and the mounting of a putsch, and threatened to issue orders barring them from leaving the republic and putting them in handcuffs. True, the saber-rattling was hot air: The Muscovites, knowing the planned sentence, walked out of the show trial.

It is hard to say to what extent these results correspond to reality, since the deputies were not reregistered before the important decision was made, and there is information showing that the "mighty band" that constituted the "majority" voted "for themselves and for that guy over there." The president was ordered to fire the ministers within one week, not without regret that the law did not allow this to be done within 24 hours. And so the Varangians' campaign to become Crimeans ended. Such an unprecedented reprisal against a government, and at such an extraordinary time for the republic, had never been seen in any country, reporters pointed out. The deputy chairman of the Supreme Council, V. Mezhak, described the reprisal as a "party conspiracy."

The Varangian Is Guilty of Wanting To Eat Our Food

Parliamentary sources say the conspiracy was organized by the Crimean Economic Revival Party [CERP], known as the Bagrov lobby. When they nominated the former speaker for the presidential election with no doubt of victory, the lobbyists formed their own government and came to be viewed as the de facto ruling party. They acquired several ministerial portfolios as an advance at the height of the campaign. The unforeseen victory of Yu. Meshkov, the main opponent of the "fat cats," reshuffled all the cards that CERP had intended to use, through its network of "people's banks" (which are scooping all public property, including land), to become the monopolist owner of the peninsula. The "Moscow

option" for accelerated and open privatization of Crimean enterprises on a competitive basis was unacceptable to it. CERP declared war on the "Varangians," who had taken a bite out of a pie that had already been divvied up under the table. However, it lacked the strength to prevent the Saburovites from coming to power in May: What was seen at the time as the losing pro-Ukrainian party managed to win just two deputy seats, while the pro-Russian Republicans won more than 70 seats (with nearly 60 deputies from the Russia bloc). But what is democracy? A means by which a well-organized minority can rule a disorganized majority. In its propaganda, CERP used even such last resorts as spreading utterly unfounded statements that the "Moscow government" specialized in arranging hired murders. The subversion in parliament and behind the scenes was mixed with "commercial breaks" in the squares, where the erstwhile opponents of mass rallies railed against the "antipopular" government and the president, promising the people mountains of gold if they would help throw the foreigners out. Naturally, collaborators from the Russia bloc were also promised a generous reward.

Meanwhile, in Meshkov's shaky ranks, there were growing numbers of people dissatisfied with the president, who had failed to appreciate their loyalty in material terms, so to speak. He failed to give portfolios to some, dismissed others from their adviser positions for involvement in forming a shadow cabinet of ministers, and failed to give still others the 1.5 billion karbovantsy they had requested to prop up a once pro-presidential newspaper, which after his refusal promptly became an anti-presidential newspaper. The revolutionary moment, as the leader of the proletariat put it, ripened in the fashionable Yuzhnyy Hotel in Foros—the "cradle of putsches." There, on high-speed yachts and at sumptuous meals, according to eyewitnesses, CERP officials sought to take the aggrieved under their wing and show them who was really in charge. CERP and the Republican Party of Crimea (RPC), which had been implacable foes until recently and had diametrically opposing political platforms, formed, as Deputy A. Loyevskiy put it, a "beach alliance" that included members of the Supreme Council Presidium. On returning from vacation, they implemented the Foros conspiracy, and the pro-Bagrov party regained its governing position. To better understand the significance of this internal coup, suffice it to recall that CERP is a national Ukrainian party that has chapters in all the country's oblasts and adherents in high-ranking offices of Kravchuk-Kuchma Kiev.

Nenka, Nenka, How Right You Were

The next and final act in the planned scenario was to be the overthrow of the president. To sweep him away in one fell swoop with the government, as members of the presidium had intended to do, was made impossible by law. Now the people's deputies waited impatiently for the findings of a special commission of the Supreme

Council, the Supreme Court presidium and the as yet unformed Crimean Constitutional Court on "unconstitutional actions by Yu. Meshkov," preparing to use them as a basis for impeaching him and, they hoped very much, to prosecute him. One could almost feel the thirst for blood in the parliamentary hall. "There is no God here, Satan rules," declared Deputy V. Nikolayev in disgust as he slammed the door. But most of the president's supporters would wait for the denouement either at home or sitting in their parliamentary seats, keeping their heads low (there are more than 20 of us, one whispered to me, but do not tell anyone!), obviously fearing a witchhunt. As Nietzsche had warned, beware of those with a strong desire to punish; they are people of a bad breed, and the executioner lives in them.

In this regard, parliamentary speaker S. Tsekov may be right in thinking that if Crimea had its own army, there would have been no avoiding bloodshed: While the "iron Meshkov," at the height of the confrontation, had shown unilateral softness, being the first to make concessions and, in contrast to the Russian president, not urging the people to take to the barricades but calling on them to stay neutral, the parliamentary leaders, on the squares and on television, openly urged their supporters to storm the building, to "rout" and "tie up" the security guards, and to use force to restore the "legitimate government," clearly provoking a Russian October. It appears to be no accident that on the eve of the events, Crimea was visited by the people's deputies' best friend—E. Limonov, who demanded a revision of borders and urged Crimeans to be ready to "fight for every Russian kilometer to the last bullet."

The unilateral concession of Meshkov, who on 22 September rescinded his decrees on dissolving the councils and thereby saved Crimea from extreme measures by the center, nonetheless failed to result in consensus: The Supreme Council did not intend to respond by reconsidering its own edicts limiting the president's powers. In taking on the role of the "president is gravediggers," the people's deputies had no idea that they were playing with self-destruction, for that is what that role is all about. The desire to imitate Russia was rather comedic boasting: While that sovereign power, after licking its wounds, promptly got back on its feet, the autonomous not-quite-a-republic would hardly be able to get up from its knees.

The genius L. Kravchuk won. And without any armored personnel carriers or national guardsmen (they remain out of the picture—for the time being). Truly, if you want to enslave a country, give it the power to do as it pleases, and it will itself cry out for a strong hand.

Ukraine, predictions of its demise notwithstanding, is alive and strong in its spirit of national great-conciliarism. It is no accident that Ukrainian extremists are now applauding the Crimean pseudo-republicans for the gift they received. In a letter to the Republican Movement of Crimea, the Organization of Ukrainian

Nationalists also thanked it for bringing to power Kuchma, who, as they see it, is a more consistent and firmer nationalist than his predecessor. It is known that at the height of the battle, the Crimean president was in constant telephone contact with Leonid Danilovich: It is hard to believe that they were discussing women. Yu. Meshkov evaded a direct answer to this question, saying it would be wrong to disclose the position of his interlocutor without the latter's knowledge, which, incidentally, is also an answer. The most important thing, however, is hardly which Leonid (Nikolay, Vladimir, Mikhail) had a hand in the small-town putsch, but that the young ignoramuses of the Crimean not-quite-a-republic lost their statehood—noisily and incompetently. The curtain can be lowered. And with it the national flag of the Republic of Crimea.

P.S. By October the presidency in Crimea had been virtually liquidated. The parliament adopted a Law on the Government under which the president is no longer even the head and leader of the executive branch; these powers are completely vested in the prime minister's office, which, according to parliamentary sources, is to be filled with a front-man from the CERP. The new Law on the Government flagrantly flouts even the pro-parliamentary Constitution, which establishes the president as the supreme official and chief of the executive branch, in connection with which the parliament is forced to bring the Constitution into conformity with an unconstitutional law.

"Nothing terrible happened," said S. Tsekov, nonetheless. "It is an ordinary situation."

It is indeed ordinary—in Tsekov's tradition: to change the state system like a butting animal. On the night of 28-29 September the parliament celebrated the speaker's 41st birthday in the White House. By morning, things reached the stage of presenting a historic gift to the guest of honor. Yu. Meshkov, who at the time was receiving humanitarian aid from the United States—with medicines for Crimeans dying in the epidemic—took the rap for someone else. For cholera and plague.

The unconstitutional law was adopted by a constitutional majority (68 votes of 98), despite irregularities that came to light in which the deputy cards of "dead souls" were used in the secret vote. A group of parliamentarians who were shamed by the arbitrary proceedings walked out of the plenum hall in protest, but this did not affect the outcome.

The gift given to Tsekov will no doubt go down in history as similar to that of Khrushchev. For when, by the will of a person fomenting internecine strife, a state is "decapitated" and the popularly elected guarantor of statehood is swept away, this is no longer a state but someone's appendage. Crimeans who are unwilling to accept this fate have set up presidential support committees in Simferopol, Sevastopol, Lenino, and other cities and

rayons, and signatures are being collected in defense of the president and to express no confidence in the Supreme Council.

ECONOMIC AFFAIRS

Monetary Policy, Exchange Rate Decrees

95P50008 Kiev URYADOVYY KURYER in Ukrainian, 29 Oct 94 p 7

[Decree of the Administration of the National Bank of Ukraine No 174-A: "On the Unification of the Karbovanets Exchange Rate for Foreign Currency and The Liberalization of the Ukrainian Foreign Exchange Market" and Decree No 178 of the Administration of the National Bank of Ukraine from "On Changes to Decree No 174 of the Administration of the National Bank of Ukraine"]

[FBIS Translated Text]

In order to guarantee favorable conditions for the development of the Ukrainian foreign currency market, to stimulate export and increase foreign hard currency income in Ukraine, the Administration of the NATIONAL BANK OF UKRAINE hereby RESOLVES:

- 1) As of 24 October 1994 the National Bank of Ukraine will determine the official exchange rate of the karbovanets to the American dollar, the German mark and the Russian and Belarusian ruble on the basis of the results of trading on the Ukrainian Interbank Currency Exchange. The National Bank of Ukraine will set the rate of exchange of the karbovanets to other foreign currencies through the cross exchange rates of the Frankfurt Currency Exchange, the Moscow Interbank Exchange, as well as the cross exchange rate published in the FINANCIAL TIMES.
- 2) The official rate of exchange of the karbovanets will be used in the realization of all noncash and cash operations in the sale and purchase of foreign currency, including forced sales, for the calculation of all operations, for budget and customs calculations, in the planning and analysis of foreign economic activity, in price formation, in the compilation of reports and statistical reports, for the cash payment of foreign currency for all types of accounts of judicial and physical persons, as well as for interstate calculations.
- 3) The National Bank of Ukraine will carry out the mandatory purchase of 10% of the income in the accounts of residents in American dollars, German marks and Russian rubles, as well as all foreign currency income subject to mandatory or voluntary sale of other foreign currencies in the first group of the Classifier of Foreign Currencies, directly through commercial banks at the official exchange rate. The remaining income in the accounts of residents in American dollars, German marks, and Russian and Belarusian rubles, including mandatory sales, is to be determined in exchange trading.

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- 4) Sale and purchase operations of foreign currency from the second group of the Classifier, including mandatory sale, are to be carried out through commercial banks and the Interbank Currency Exchange with the margin between the sale and purchase rate to be held to no more than 5 percent (the deviation from the official exchange rate should not exceed plus or minus 2.5%).
- 5) Cash purchase and sale operations of foreign currency are to be carried out in accord with the operating procedure holding the margin between sale and purchase rates to 5 percent (with the deviation from the official exchange rate plus or minus 2.5%). The said exchange rates are to be set at the beginning of the work day and are not subject to change during that day.
- 6) It is resolved that the further regulation of the size of the margin envisaged in points 4 and 5 of this decree are to be carried out the National Bank of Ukraine using the normal operating procedure.
- 7) The Foreign Currency Regulation Administration (T.O. Shulzhenko) is to submit a proposal to the Cabinet of Ministers of Ukraine on the abolition of the State Foreign Currency Fund.

[Signed] Acting Head of the Administration V.S. Stekmakh

Decree of the Administration of the National Bank of Ukraine No 174, from 21 October 1994: "On Measures of the National Bank of Ukraine in the IV Quarter of 1994 Concerning Support through Monetary Measures of the Basis Theses in the Speech of the President of Ukraine to the Session of the Ukrainian Supreme Council, 'Through Radical Economic Reforms,' and the Program of Macroeconomic Stabilization in Ukraine"

With the aim of the organization of practical work concerning the realization of the concept of economic reform in Ukraine contained in the address of Ukrainian President L.D. Kuchma to the Ukrainian Supreme Council on 11 October 1994 "Through Radical Economic Reforms," and the Program of Macroeconomic Stabilization submitted to the Government and the National Bank of Ukraine by the International Monetary Fund (IMF), the Administration of the National Bank of Ukraine hereby resolves the following:

- 1) Guarantee holding the monetary mass in economic circulation in the period up to the end of 1994 to a volume that will not result in a further inflationary surge, in conformity with the concept of Economic Reform and the goals set out in Program of Macroeconomic Stabilization in Ukraine.

In connection with this, confirm the volume of net internal credit of the National Bank of Ukraine as of 1 January 1995 as 154 trillion karbovanstsi, including 141 trillion K. to the Government.

- 2) Stemming from the necessity of introducing an economically considered monetary-credit policy in the IV quarter of this year, and bearing in mind the excessive

monetary reserves of commercial banks, the concentration of considerable sums in the accounts of enterprises as the result of emission credit expansion in August-September of this year, as of 25 October 1994 the volume of refinancing and credits that are extended to commercial banks will be frozen. This includes:

- erecting a credit "ceiling" for commercial banks in the period up to 1 December 1994 on the level which existed as of 25 October 1994, without any further growth in credit amounts. The extension of new credits and their prolongation may only be done in the event of repayment of previously granted credits. The Credit Regulation Administration (N.I. Hrebenyk) is to submit a proposal on that question by 1 December 1994;
- in the event that the credit "ceiling" is breached by commercial banks, levy monetary fines having the same size as the unlawfully obtained income in accord with Article 48 of the Ukrainian Law On Banks and Banking Activity;
- require commercial banks to ensure the registration of credit resources that will be granted or prolonged from 25 October 1994, as well as giving the corresponding information to the National Bank of Ukraine;
- the refinancing of commercial banks is to take place only within the the bounds of the envisaged volume of net National Bank internal credits by repaying loans that had been granted earlier, through holding credit auctions proportional to the capital of the banks and accounts or mortgaged securities.

- 3) The Credit Regulation Administration (N.I. Hrebenyk), the Administration of the Organization of Banking Oversight (A.I. Stepanenko) and the regional administrations of the National Bank are to establish everyday operative control so that the commercial banks comply with the credit "ceiling." To that end, they are to submit a separate report after 25 October 1994.

The Deputy Head of the Administration (O.I. Kireyev) and the Administration of Informatization and Computer Technologies (A.S. Savchenko) in three days are to work out a program for providing the preparation of operative reports concerning the volume of indebtedness of commercial bank loans.

- 4) With the goal of restraining inflation and preserving enterprise and citizen interest in keeping their money in banks, regulate the discount rate of the National Bank in the IV quarter of 1994 to keep it on a positive level regarding the expected growth in prices. In connection with this:

- 4.1) As of 26 October of this year establish the interest rate for refinancing at a level of 18% monthly for loans that will be made and prolonged after this date, and on 10 November of this year review the interest rate keeping in mind

the current growth in prices. The Administration of Monetary Policy (N.V. Dorofeyev) is to submit proposals on this question to the Administration on 8 November of this year.

- 4.2) With the goal of the highest objectively grounded discount rate level, the National Bank is, in the operative regime, to ensure a close monitoring of the dynamics of the economic processes, especially price factors, in individual territorial-administrative regions, as well as in the country as a whole. Corresponding subunits are to be created in the central apparatus, the Republican Bank of Crimea and oblast administrations of the National Bank. The Financial Administration (O.M. Kandybkha), the Monetary Policy Administration (N.V. Dorofeyev) and the Credit Regulation Administration (N.I. Hrebenyk) are to submit proposals concerning changes in the personnel of the central apparatus and regional administrations of the National Bank by 1 November.

The Monetary Policy Administration (N.V. Dorofeyev), and the Economic Studies Administration (K.Y. Rayevskyy) within a month are to work out regulations concerning the above mentioned subunits, keeping in mind the necessity of their interrelationship with the corresponding regional administrative organs.

- 4.3) Payment for credits issued by the National Bank to commercial banks and the Government, is to be realized at a single interest rate, which has been determined by the Administration of the National Bank for the corresponding period.
- 4.4) Abolish limits on interest for credits that are issued by commercial banks, which were established by Decree No 113 of the Administration of the National Bank from 13 June 1994.
- 5) With the goal of ensuring a safe liquidity level, require commercial banks to:

- retain a correspondence between the terms when issuing credits and the terms to attract bank deposit funds;
- expand the existing norm for mandatory reserves on foreign currency deposits attracted to commercial banks;

on correspondent accounts, along with the mandatory reserve funds, retain additional sums not less than 20% of the sum of simple term and prolonged indebtedness in karbovanets and foreign currency loans of clients, if other more severe measures are not envisaged in the rulings of the Administration.

The deputy chairman of the Administration (O.I. Kireyev), and Central Accounts (V.M. Kravets) within a week are to make the appropriate changes in the accounts plan and ensure that this information be reflected in the account books of commercial banks.

The Administration of the Organization of Bank Oversight (A.I. Stepanchenko) and the regional administrations of the National Bank are on a monthly basis to oversee the compliance of commercial banks to these requirements.

- 6) Every 10 days the Monetary Policy Administration (N.V. Dorofeyev) is to inform the Administration of the National Bank on the pace of implementation of the Program of Macroeconomic Stabilization from the basic monetary indices.
- 7) In order to develop of the foreign currency market in Ukraine, solve operative questions and questions of account calculation concerning National Bank foreign currency reserves and the use of resources which are within the framework of IMF structural transformation loans, task:

- 7.1) The Foreign Currency Regulation Administration (T.O. Shulzhenko) by 26 October of this year with:

- working out and introducing the mechanism for the unification of the foreign currency exchange rate;
- preparing proposals concerning the use of IMF credits and the strategy of the participation of the National Bank in the functioning of the foreign currency market, the regulation of the exchange rate and the regulation of National Bank foreign currency reserves.

- 7.2) Within two weeks the Foreign Currency Regulation Administration (T.O. Shulzhenko) and the Foreign Currency Oversight Administration (S.O. Brahina) are to submit proposals concerning the development of foreign currency market structures and the work procedure of the foreign currency exchange under new conditions.

- 7.3) With the goal of creating conditions for the effective and safe use of International Monetary Fund credits for the stabilization of the Ukrainian economy, the Foreign Currency Regulation Administration is to submit proposals to:

- the Ukrainian Cabinet of Ministers, the Ministry of Finance and the Ministry of Agriculture concerning the expedited repayment of simple term debts for the import of plant protection substances;
- the Ukrainian Ministry of Finance, having in mind the decision of the Government on the liquidation of the State Foreign Currency Fund, concerning utilization of the remaining resources of the Fund for the repayment of simple term debts.

- 7.4) The Foreign Currency Regulation Administration (T.O. Shulzhenko), at the end of 1994, is to ensure the level of net National Bank foreign currency reserves envisaged by the Program of Macroeconomic Stabilization.

- 7.5) The deputy chairman of the Administration (O.I. Kireyev), the Foreign Currency Regulation Administration (T.O. Shulzhenko) and Central Accounts (V.M. Kravets) are by 1 December 1994 are to transfer official foreign currency reserve funds from correspondent accounts in licensed Ukrainian commercial banks to its own correspondent accounts opened in foreign banks.
- 7.6) The Legal Administration (V.L. Krotiyuk) within a week is to study the question and submit proposals concerning the recovery of sums of indebtedness from the Ukrainian Ministry of Agriculture loaned to obtain plant protection substances, the legality of blocking, in connection with this, the correspondent accounts of the National Bank in foreign banks, as well as possibility of a regressive recovery of indebtedness in favor of the National Bank.
- 7.7) Central Accounts (V.M. Kravets) and the Foreign Currency Regulation Administration (T.O. Shulzhenko) are, within a 10 day period, to work out regulations and make necessary changes and amendments to the account plan concerning the calculation of the sums of exchange rate differences by commercial banks.
- 8) The first deputy chairman of the Administration (V.S. Stelmakh) and the Business Affairs Administration are to ensure the holding of a conference at the National Bank on 25 October 1994 with the participation of the regional administrations and commercial banks on the question of the realization of this decree, as well as providing the participants of the conference with the necessary normative documents.
- 9) The members of the Administration and the heads of the administrations of the central apparatus of the National Bank are to establish oversight over the implementation of this decree and the Program for Macroeconomic Stabilization in Ukraine agreed upon with the IMF, as well as continuing the work with IMF experts concerning a more precise delineation of the credit program for 1995.

[Signed] Head of the Administration V.A. Yushchenko

Decree No 178 of the Administration of the National Bank of Ukraine from 24 October 1994: "On Changes to Decree No 174 of the Administration of the National Bank of Ukraine from 21 October 1994"

After having reviewed operative information on economic processes and the situation in the monetary-credit market in Ukraine recently, the Administration decrees the following:

Make the following changes to Decree No. 174 from 21 October 1994, On National Bank Measures in the IV Quarter of 1994 Concerning Support Through Monetary Measures of the Basic Theses of the Ukrainian President's Address at the Session of the Supreme Council "Though Radical Economic Reforms," and the Program of Macroeconomic Stabilization in Ukraine:

—in point 2 (second paragraph) for the words "by 1 December 1994" and "by 1 December of this year" substitute "by 31 December 1994;"

—in point 4.1 for the words "18% monthly" substitute "25% monthly."

[Signed] Acting Head of the Administration, V.A. Stelmakh

Government Social Safety Net Decrees

955C0003A Kiev HOLOS UKRAYINY in Ukrainian, 25 Oct 94 pp 4-5

[Text of decrees of the Cabinet of Ministers of Ukraine issued on 20 October 1994]

[FBIS Translated Text]

CABINET OF MINISTERS OF UKRAINE

DECREE

Issued on 20 October 1994, No. 722

Kiev

On Cash Payments to the Population To Cover the Costs of Housing and Municipal Services in Connection with Rate Increases for These Services

The Cabinet of Ministers of Ukraine hereby RESOLVES:

To establish as of 1 October 1994 monthly cash payments in the amount of 70 percent of the actual cost of rent and municipal services (water, gas, and heat supply and sewerage) but not to exceed 250,000 karbovantsi per family, in cases where the average monthly total income per family member during the preceding three months has been less than 780,000 karbovantsi after factoring in the price increase index.

That within two weeks the State Committee on Housing and Municipal Services, the Ministry of the Economy, the Ministry of Labor, the Ministry of Social Security, and the Ministry of Finance shall draw up and submit for approval by the Cabinet of Ministers of Ukraine a statute on the procedure for allotting the described cash payments.

[Signed] Prime Minister of Ukraine

V. MASOL

First Deputy Minister of the Cabinet of Ministers of Ukraine

I. DOTSENKO

**CABINET OF MINISTERS OF UKRAINE AND
THE NATIONAL BANK OF UKRAINE**

DECREE

issued on 20 October 1994, No. 723

Kiev

**On Increasing the Coefficients for Determining the
Basic Consumption Fund**

The Cabinet of Ministers of Ukraine and the National Bank of Ukraine hereby RESOLVE:

1. To increase by a factor of 1.6 the coefficients for determining the basic consumption fund for the branches (subbranches) of the national economy that were established by Decree No. 49 of the Cabinet of Ministers of Ukraine and the National Bank of Ukraine issued on 29 January 1994 "On Supervising Payment in 1994 of Funds Earmarked for Consumption" (*ZP Ukrayiny*, 1994, No. 7, p. 188) and subsequent decrees issued by the Government and the National Bank of Ukraine.

To revise the eighteenth paragraph of point 8 of the Procedure for Determining the Estimated [rozrahunkovyy] Consumption Fund for the month being reported in 1994 that was approved by the indicated decree (in the wording of Decree No. 282 of the Cabinet of Ministers of Ukraine and the National Bank of Ukraine issued on 3 May 1994) to read:

"cash benefits paid by an enterprise to its employees in accordance with Decree No. 722 of the Cabinet of Ministers of Ukraine of 20 October 1994 "On Cash Payments to the Population To Cover the Costs of Housing and Municipal Services in Connection with Rate Increases for These Services."

2. This decree enters into force as of 1 October 1994.

[Signed] Prime Minister of Ukraine
V. MASOL

Chairman of the Board of Governors of the National Bank of Ukraine
V. YUSHCHENKO

CABINET OF MINISTERS OF UKRAINE

DECREE

issued on 20 October 1994, No. 724

Kiev

**On the Size of Average Per Capita Income and the
Amounts of Targeted Cash Benefits to Citizens Unable
To Work and With Minimal Incomes**

In order to ensure that citizens unable to work and with minimal incomes receive targeted cash assistance during the period before the Law of Ukraine "On the Low-Income Level" comes into force, the Cabinet of Ministers of Ukraine hereby RESOLVES:

1. To establish that as of 1 October 1994 targeted cash assistance shall be provided to citizens who are unable to work and are in families in which the average monthly total income per family member during the preceding three months was less than 780,000 karbovantsi after factoring in the price increase index.

The amount of the indicated cash assistance shall be up to 370,000 karbovantsi.

2. Within ten days, the Ministry of Social Security, the Ministry of Labor, and the Ministry of Finance shall amend the Statute on the Procedure for Alloting and Paying Out Targeted Cash Assistance to Citizens with Minimal Incomes to reflect this decree and provide for a mechanism for indexing the total income per family member during the preceding three months.
3. In connection with the establishment of targeted benefits in accordance with Decree No. 722 of the Cabinet of Ministers of Ukraine of 20 October 1994 "On Cash Payments to the Population To Cover the Costs of Housing and Municipal Services in Connection with Rate Increases for These Services," the targeted cash assistance for the payment of rent, municipal services, electric power, and the purchase and delivery of fuel, provided for by Decree No. 394 of the Cabinet of Ministers of Ukraine of 2 June 1993 "On Targeted Cash Assistance to Citizens with Minimal Incomes," shall not be provided.
4. To establish that Decree No. 976 of the Cabinet of Ministers of Ukraine of 2 December 1993 "On the Low-Income Level and Increasing the Amounts of Targeted Cash Assistance to Citizens Unable To Work and with Minimal Incomes" is no longer in force.

[Signed] Prime Minister of Ukraine
V. MASOL

First Deputy Minister of the Cabinet of Ministers of Ukraine
I. DOTSENKO

CABINET OF MINISTERS OF UKRAINE

DECREE

issued on 20 October 1994, No. 725

Kiev

**On the Amounts of State Assistance To Different
Categories of Citizens in October 1994**

In order to strengthen the social safety net of the population in connection with the realization of the program for macroeconomic stabilization, the Cabinet of Ministers hereby RESOLVES:

1. To pay in October 1994 state assistance provided for by the Law of Ukraine "On State Assistance to Families

with Children" (*Vidomosti Verkhovnoyi Rady Ukrayiny*, 1993, No. 5, p. 21) in the following amounts:

a) 864,000 karbovantsi—as a one-time benefit to citizens in connection with the birth of a child (chapter 2 of the indicated law);

b) 432,000 karbovantsi:

in additional assistance to mothers in connection with the birth of a child (chapter 2 of the indicated law);

to persons caring for four or more children under the age of 16 and who are entitled to cash payments (chapter 4 of the indicated law);

to persons entitled to benefits for children under their guardianship or in their care (chapter 10 of the indicated law);

c) 304,000 karbovantsi—to persons entitled to assistance in connection with providing care for an invalid child until the child reaches the age of 16 (chapter 5 of the indicated law);

d) 216,000 karbovantsi:

to persons who work but are entitled to assistance in connection with providing care for a child until it reaches the age of three (chapter 3 of the indicated law);

to persons who provide care for three children under the age of 16 and who are entitled to cash payments (chapter 4 of the indicated law);

to persons who were orphans and children left without parental care, those brought up in children's homes (boarding homes) who are entitled to assistance for children (chapter 8 of the indicated law);

to persons entitled to assistance for children of military term servicemen (chapter 9 of the indicated law);

e) 158,000 karbovantsi—to persons entitled to benefits for children under 16 years of age (students—up to 18 years of age) (chapter 7 of the indicated law);

f) 108,000 karbovantsi:

to nonworking persons entitled to assistance for caring for a child under three years of age (chapter 3 of the indicated law);

to persons entitled to assistance for single mothers (chapter 8 of the indicated law), with the exception of persons indicated in paragraph 4 of subsection "d" of this point;

to persons entitled to temporary assistance for minor children whose fathers avoid paying child support or when the collection of child support is not possible (chapter 11 of the indicated law);

g) 54,000 karbovantsi—to persons who are not receiving child support payments awarded in court judgments (the decision of a judge) or receive a smaller amount than the established minimum and who are entitled to temporary assistance for minor children (chapter 11 of the indicated law).

Assistance to nonworking women for the care of a child between two and three years old and cash payments to mothers (fathers) caring for three or more children under the age of 16 (students under 18) are provided if the average monthly total income per family member in the third quarter of 1994 was less than 780,000 karbovantsi after factoring in the price increase index. Benefits for children who are under guardianship or being cared for is provided if the amount received in child support for these children, pensions, and assistance per month does not exceed 780,000 karbovantsi after factoring in the price increase index.

2. To establish monthly compensational payments in the amount of 100,000 karbovantsi to nonworking able-bodied persons who provide care for a Group I invalid or for an elderly person aged 80 or over.

3. To pay government unemployment benefits, stipends established for persons referred by the employment service for professional training or retraining, and material assistance to unemployed persons and members of their families as provided for by the Law of Ukraine "On Employment" (*Vidomosti Verkhovnoyi Rady Ukrayiny*, 1991, No. 14, p. 170; 1993, No. 2, p. 3) in the following amounts:

a) 206,000 karbovantsi—to citizens entitled to unemployment benefits (subsection "b" of point 1 of article 29 of the indicated law);

b) 260,000 karbovantsi—to citizens entitled to unemployment benefits (point 2 of article 29 of the indicated law);

c) double the amount but not less than 260,000 karbovantsi and not more than the average wage in the economy of the relevant oblast to citizens entitled to unemployment benefits or stipends (subsection "b" of point 1 of article 26; point 1 of article 27; subsection "a" of point 1 of article 29 of the indicated law);

d) 108,000 karbovantsi to unemployed persons and members of their families entitled to material assistance (article 31 of the indicated law).

4. When necessary, the Ministry of Labor, the Ministry of Finance, and the Ministry of Social Security shall provide explanations relating to the implementation of this decree.

5. The Ministry of Labor, the Ministry of the Economy, the Ministry of Finance, and the Ministry of Social Security shall submit timely proposals to the Cabinet of Ministers of Ukraine regarding a review of the amounts of government assistance in November and December 1994 to take into account changes in the consumer price index.

6. To establish that the following are no longer in force:

points 3 and 6 of Decree No. 974 of the Cabinet of Ministers of Ukraine of 2 December 1993 "On Measures To Increasing the Minimum Wage";

Decree No. 975 of the Cabinet of Ministers of Ukraine of 2 December 1993 "On Additional Cash Payments to the Population in Connection with Increases in Retail Prices and Rates."

[Signed] Prime Minister of Ukraine
V. MASOL

First Deputy Minister of the Cabinet of Ministers of Ukraine

I. DOTSENKO

Further Social Safety Net Decrees

955C0003B Kiev URYADOVYY KURYER
in Ukrainian 25 Oct 94 p 5

[FBIS Translated Text]

CABINET OF MINISTERS OF UKRAINE

DECREE

issued on 20 October 1994, No. 726

Kiev

On the Amount of Burial Benefits

In connection with an increase in the retail prices of ritual accoutrements and burial services, the Cabinet of Ministers of Ukraine hereby RESOLVES:

1. To establish that:

in the event of the death of a citizen who was employed by an enterprise, institution, or organization and who lost his or her job as a result of changes in the organization of production and labor, including the liquidation, reorganization, or change in specialization of the enterprise, institution, or organization, or the reduction of the number employees, who retained an average wage from his or her previous place of employment until he or she found new employment but not longer than for a period of three months, the death of a person who was not employed but paid insurance dues, the death of a graduate student, doctoral candidate, medical intern, full-time student of a higher educational institution, or student of a vocational training institution, a burial benefit shall be paid in the amount of 3,700,000 karbovantsi. This benefit shall be paid from the state social insurance fund. The same amount of assistance shall be provided for the burial of a person who was in the care of citizens described below:

in the event of the death of a pensioner, a burial benefit shall be paid totalling two monthly pension payments due the deceased but not less than 3,700,000 karbovantsi from the funds from which the pension was paid;

in the event of the death of an unemployed person or a person dependent on the former, a burial benefit shall be paid in the amount of 3,700,000 karbovantsi. This benefit shall be paid from the State Fund To Promote Employment;

in the event of the death of a person not included in the indicated categories, a burial benefit shall be paid on the basis of a decision of the local council of people's deputies in the amount of 3,700,000 karbovantsi (taking into account the material circumstances of the deceased) from the funds of local budgets.

The burial benefit shall be paid to the family of the deceased or to the person who buried the deceased.

2. The family of the deceased, if its average monthly total income per family member in the preceding quarter did not exceed 1,200,000 karbovantsi, shall receive, in addition to the assistance indicated in point 1 of this decree, a supplementary burial benefit in the amount of 1,800,000 karbovantsi to be paid from the fund from which the original benefit was paid.
3. The Ministry of Social Security, the State Committee on Housing and Municipal Services, the Ministry of Labor, and the Ministry of Finance, with the assistance of the Social Insurance Fund and the Pension Fund, shall make the necessary changes in the existing procedure for paying out burial benefits.
4. To establish that Decree No. 189 of the Cabinet of Ministers of Ukraine of 30 March 1994 "On Burial Benefits" (ZP Ukrayiny, 1994, No. 7, p. 178) is no longer in force.

[Signed] Prime Minister of Ukraine
V. MASOL

First Deputy Minister of the Cabinet of Ministers of Ukraine

I. DOTSENKO

CABINET OF MINISTERS OF UKRAINE

DECREE

issued on 20 October 1994, No. 727

Kiev

On the Amounts of Stipends for Students Attending Educational Institutions and Also Graduate Students and Doctoral Candidates. The Cabinet of Ministers of Ukraine hereby RESOLVES:

To establish as of 1 October 1994 new amounts of stipends for students attending educational institutions and also graduate students and doctoral candidates.

To amend Decree No. 50 of the Cabinet of Ministers of Ukraine of 26 January 1993 "On Providing Stipends to Students of Educational Institutions and Also Graduate Students and Doctoral Candidates" (ZP Ukrayiny, 1993, No. 4-5, p. 70) and in the wording of Decree No. 565 of the Cabinet of Ministers of Ukraine of 18 August 1994

"On the Procedure for Providing Full Government Maintenance for Students of State Vocational Educational Institutions and Providing Them With Free Meals and Stipends" in accordance with the supplement.

[Signed] Prime Minister of Ukraine

V. MASOL

First Deputy Minister of the Cabinet of Ministers

I. DOTSENKO

Supplement to Decree No. 727 of the Cabinet of Ministers of Ukraine of 20 October 1994

AMENDMENTS

to Decree No. 50 of the Cabinet of Ministers of Ukraine of 26 January 1993 "On Providing Stipends for Students in Educational Institutions and also Graduate Students and Doctoral Candidates"

1. Chapter 1 of Supplement No. 1 to be worded as follows:

"1. Amounts of Stipends for Students		
Average grade (arithmetic mean uspishnost)	Amounts of stipends in karbovantsi per month	
	for students of higher educational institutions with level III and IV accreditation	for students of higher educational institutions with level I and II accreditation and students of vocational educational institutions
3.00—3.99	276,000	235,000
4.00—4.24	336,000	286,000
4.25—4.49	381,000	324,000
4.50—4.74	426,000	362,000
4.75—4.99	456,000	388,000
5.00	486,000	413,000"

2. Points 1.2 and 3 of Supplement No. 2 to be worded as follows:

"1. Stipends for those attending preparatory divisions, including preparatory vocal divisions at conservatories, are established in the amount of 248,000 karbovantsi per month.

"2. Stipends for students of secondary special music boarding schools and secondary art schools are established in the following monthly amounts:

grade VIII—140,000 karbovantsi

"grade IX—155,000 karbovantsi

"grade X—171,000 karbovantsi

"grade XI—185,000 karbovantsi

"3. For students attending acting studios stipends are established in the amount of 185,000 karbovantsi per month."

3. In Supplement No. 3:

the wording of the second sentence of point 9 to read:

"The amount of a personal (payable to a designated person) stipend may not exceed 790,000 karbovantsi per month";

the wording of points 14 and 15 to read:

"14. For students who resume studying after completing their military service, stipends are allotted from the time of their return to school in an amount corresponding to their average grade prior to being drafted.

"15. Students who are on leave from school on medical grounds receive a monthly payment in the amount of 183,000 karbovantsi from the stipend fund";

the wording of the third paragraph of point 17 to read:

"Female students who have children and are fulfilling the curriculum requirements are paid a monthly cash benefit as provided for by acting legislation and a stipend from the stipend fund";

the wording of point 19 to read:

"19. Students receiving on-the-job training, during the month of leave granted them without pay from their jobs to enable them to familiarize themselves directly with their chosen specialty at an enterprise and to prepare materials for their diploma project, are entitled to a stipend of no less than 336,000 karbovantsi to be paid by the relevant enterprise, organization, or institution."

[Signed] First Deputy Minister of the Cabinet of Ministers of Ukraine
I. DOTSENKO

CABINET OF MINISTERS OF UKRAINE

DECREE

issued on 20 October 1994, No. 728

Kiev

On Compensational Payments to Persons Who Suffered as a Result of the Chernobyl Catastrophe

In connection with the implementation of a large-scale program of macroeconomic stabilization and economic reform, the Cabinet of Ministers of Ukraine hereby RESOLVES:

1. To establish the following amounts of payments provided for by the Law of Ukraine "On the Status and Social Protection of Citizens Who Have Suffered as a

Result of the Chernobyl Catastrophe" (*Vidomosti Verkhovnoyi Rady Ukrayiny*, 1992, No. 13, p. 178; No. 37, p. 543):

- a) monthly cash payments for children until they reach school age (seven years of age):

for children who attend preschool institutions: up to the age of three—81,000 karbovantsi; aged three to seven—162,000 karbovantsi;

for children who do not attend preschool institutions: up to the age of three—195,000 karbovantsi; aged three to seven—292,000 karbovantsi.

- b) monthly payments, independent of other payments, for each child of school age who was evacuated from the expulsion zone or was born after 26 April 1986 of a father who at the time the mother became pregnant had reason to belong to category 1 or 2, or of a mother who at the time she became pregnant had reason to belong to category 1 or 2, as well as for each child who lived in the zone of unconditional (mandatory) removal from the time of the accident until the passing of the decree on removal from this zone—98,000 karbovantsi;

- c) monthly payments to families for each child of school age who has become an invalid or is being treated for an illness caused by the Chernobyl catastrophe, as well as to children of school age whose parents have become category I or II invalids or died as a result of the Chernobyl catastrophe, instead of the payment provided for in subsection "b" of this point, if the child in question is not fully supported by the state—195,000 karbovantsi for each family member;

- d) monthly payments for each invalid child to families who are caring for children who became invalids as a result of the Chernobyl catastrophe—584,000 karbovantsi;

- e) a one-time payment to citizens who were evacuated, evicted (are being evicted), or resettled on their own (are resettling) to a new location—486,000 karbovantsi for each family member;

- f) monthly cash payments to citizens who reside in radioactively contaminated territories to compensate for restrictions on the consumption of food products produced locally and on private plots: in the zone of enhanced radioecological monitoring—50,000 karbovantsi; in the zone of guaranteed voluntary resettlement—65,000 karbovantsi; and in the zone of unconditional (mandatory) resettlement—81,000 karbovantsi;

- g) a one-time compensation for persons who became invalids and families who lost their breadwinner as a result of the Chernobyl catastrophe:

group I invalids—11,664,000 karbovantsi

group II invalids—8,748,000 karbovantsi

group III invalids—5,832,000 karbovantsi

families who lost their breadwinner—11,664,000 karbovantsi

parents of persons who died—5,832,000 karbovantsi.

- h) annual benefits for medical treatment:

for the indicated group I and II invalids—486,000 karbovantsi; group III invalids—324,000 karbovantsi

for participants in the liquidation of the effects of the accident at the Chernobyl Nuclear Power Electric Station:

in 1986-1987—487,000 karbovantsi; in 1988—324,000 karbovantsi; and in 1989 and 1990—162,000 karbovantsi;

for each child who lost a parent as a result of the Chernobyl catastrophe—195,000 karbovantsi;

for those evacuated from the expulsion zone [zona vidchuzhennya] in 1986, including children—162,000 karbovantsi.

2. To establish the maximum amounts of wage increases for citizens who work on radioactively contaminated territories, depending on the level of radioactive contamination by cesium isotopes (Ki per square kilometer)

from 1 to 5—162,000 karbovantsi;

from 5 to 10—243,000 karbovantsi;

from 10 to 15—324,000 karbovantsi;

from 15 to 30—405,000 karbovantsi;

over 30—486,000 karbovantsi.

3. To establish that wages for pensioners who work in radioactively contaminated zones shall be raised by an additional 41,000 karbovantsi.

4. Payments provided for by the Law of Ukraine "On the Status and Social Protection of Citizens Who Suffered as a Result of the Chernobyl Catastrophe" (*Vidomosti Verkhovnoyi Rady Ukrayiny*, 1992, No. 13, p. 178; No. 37, p. 543) and which are based on the minimum pension according to age are to be allotted using the sum of 180,000 karbovantsi as the base rate.

5. Pensions in connection with invalidity which resulted from an injury or illness caused by the Chernobyl catastrophe in the amount of 2,400,000 karbovantsi on 1 October 1994 shall be doubled. That portion of the indicated pensions that exceeds this amount will not be increased.

6. The Ministry of Labor, the Ministry of the Economy, the Ministry of Finance, and the Ministry for the Protection of the Population from the Aftermath of the Accident at the Chernobyl Nuclear Power Station shall submit timely proposals to the Cabinet of Ministers of Ukraine regarding reviews in November-December 1994 of the amounts of compensation paid to persons who suffered as a result of the Chernobyl catastrophe to take into account changes in the consumer price index.

7. This decree enters into force as of 1 October 1994.

[Signed] Prime Minister of Ukraine

V. MASOL

First Deputy Minister of the Cabinet of Ministers of Ukraine

I. DOTSENKO

Government Price Liberalization Decree

955C0004A Kiev *SILSKI VISTI* in Ukrainian,
26 Oct 94 pp 1, 3

[Text of decrees of the Cabinet of Ministers of Ukraine issued 21 October 1994]

[FBIS Translated Text]

CABINET OF MINISTERS OF UKRAINE

DECREE

issued on 21 October 1994, No. 733

Kiev

On Price Setting in the Environment of Economic Reforms

With a view to implementing certain provisions of the report of the president of Ukraine on the main principles of economic and social policy, which has been supported by the Supreme Council of Ukraine, the Cabinet of Ministers of Ukraine **RESOLVES**:

1. The extent of state regulation of prices and rates shall be reduced by restricting it solely to natural and certain artificial monopolies.

In conjunction with this:

in keeping with Appendix No. 1, the list of products (goods, services) to which the regulation of profit margins at the time of price changes, as envisioned by Article 1 of the Edict of the President of Ukraine, dated 3 November 1993, No. 508 on Measures to Contain the Rate of Price Increases, does not apply shall be expanded;

the volume of the declaration of price and rate changes shall be reduced by no less than 30 percent;

within 10 days after the present decree takes effect, the Ministry of the Economy shall set forth a list of

products, goods, and services for which the manufacturer enterprises shall declare price and rate changes to the organs of state executive power.

2. The declaration of changes in prices and rates for products and services envisioned by Point 1 of the present decree shall apply until the implementation of an arrangement for setting prices and rates for the products and services of monopolies which has been set forth in Decree of the Cabinet of Ministers of Ukraine, dated 15 June 1994, No. 400 on the Arrangement for the Antimonopoly Regulation of the Operation of Monopolies.

3. The maximum extent of raising prices and rates for products, goods and services in keeping with Appendix No. 2 shall be approved.

4. The Jurisdiction of the Organs of State Executive Power in the Area of Setting Prices and Rates for Certain Types of Products, Goods, and Services in keeping with Appendix No. 3 shall be approved.

5. The Ministry of the Economy and the Ministry of Finance shall, in coordination with the ministries and departments concerned, revise the volume of subsidies for certain types of goods and services for the population in line with the changes in prices and rates envisioned by Appendix No. 2 to the present decree.

6. The organs of state executive power which in keeping with the jurisdiction envisioned by Appendix No. 3 regulate prices and rates at the time of setting their levels shall ensure the volume of compensation to the population of actual expenditures for:

the use of housing or its maintenance and for water, heat, and gas supply services and sewage—at a rate of no less than 40 percent effective 1 February 1995, and no less than 60 percent effective July 1995;

for passenger carriage by urban transit—buses, streetcars, trolley buses, and subways—at a rate of no less than 20 percent.

7. Within three months, the Ministry of the Economy, jointly with the concerned ministries and departments, shall submit to the Cabinet of Ministers of Ukraine proposals for bringing the decisions of the Cabinet of Ministers of Ukraine into compliance with the present decree.

8. The following shall be pronounced void:

decree of the Cabinet of Ministers of the Ukrainian SSR [Soviet Socialist Republic], dated 9 August 1965, No. 781 on Approving the Rate of Charges for Residence in the Dormitories of Enterprises, Organizations, and Establishments Reporting to the National Economy Councils, Ministries, Departments, and Local Councils of the Ukrainian SSR (ZIBRANNYA POSTANOV URSR, 1965, No. 8, page 114);

Decree of the Cabinet of Ministers of Ukraine, dated 23 December 1992, No. 715 on the Regulation of Prices (ZIBRANNYA POSTANOV URSR, 1993, Nos. 1-2, page 26), with the exception of Point 3 of the decree, as well as Paragraphs 2 and 3, Point 8 of the Provisional Statute on the State Regulation of Prices and Rates confirmed by this decree which shall cease to apply once the arrangement for setting prices and rates for the products and services of monopolies is implemented;

Decree of the Cabinet of Ministers of Ukraine, dated 2 March 1993, No. 153 on the Regulation of Prices for the Products, Goods, and Services of Enterprises With Nonstate Forms of Ownership (ZIBRANNYA POSTANOV URSR, 1993, No. 6, page 111)—once the arrangement for setting prices and rates for the products and services of monopolies is implemented;

Decree of the Cabinet of Ministers of Ukraine, dated 3 June 1993, No. 403 on Amending the Regulation of Prices and Rates;

Decree of the Cabinet of Ministers of Ukraine, dated 30 August 1993, No. 676 on Amending the Regulation of Prices and Rates (ZIBRANNYA POSTANOV URSR, 1994, No. 1, page 7);

Decree of the Cabinet of Ministers of Ukraine, dated 3 December 1993, No. 978 on Streamlining Prices and Rates (ZIBRANNYA POSTANOV URSR, 1994, No. 4, page 87);

Paragraph 1, Point 2 of Decree of the Cabinet of Ministers of Ukraine, dated 31 December 1993, No. 1,076 on Changing Prices for Coal and Coal Products (the wording as per Decree of the Cabinet of Ministers of Ukraine, dated 30 July 1994, No. 520)

Paragraph 1, Point 2 of Decree of the Cabinet of Ministers of Ukraine, dated 15 February 1994, No. 93 on the Transition to a New System of Payments for Housing and Municipal Services and to Targeted Subsidies for Such Payments to Certain Categories of Citizens (ZIBRANNYA POSTANOV URSR, 1994, No. 6, page 146);

Paragraph 4, Point 1 of Decree of the Cabinet of Ministers of Ukraine, dated 16 February 1994, No. 94 on Procedures for Granting Relief Envisioned by the Law of Ukraine on the Status of War Veterans and Guarantees for Their Social Protection (ZIBRANNYA POSTANOV URSR, 1994, No. 6, page 147);

Decree of the Cabinet of Ministers of Ukraine, dated 4 June 1994, No. 360 on Jurisdiction for Setting Rates for Transportation Services;

Decree of the Cabinet of Ministers of Ukraine, dated 15 June 1994, No. 411 on Additions to the Appendix to the Decree of the Cabinet of Ministers of Ukraine, dated 3 December 1993, No. 978;

Decree of the Cabinet of Ministers of Ukraine, dated 23 September 1994, No. 659 on the State Regulation of Prices for Bread, Baked Goods, and Mixed Feed as it applies to the state regulation of prices for bread and baked goods.

9. The present decree shall take effect on the day of publication.

[Signed] Prime Minister of Ukraine V. MASOL

[Signed] First Deputy Minister of the Cabinet of Ministers of Ukraine
I. DOTSENKO

Appendix No. 1 to Decree of the Cabinet of Ministers of Ukraine, dated 21 October 1994, No. 733

List of Products to Which the Regulation of Profit Margins at the Time of Price Changes Does Not Apply

Beer

Soft drinks (except diet)

Confectioneries glazed with chocolate, caramel, and toffee (except diet and medicinal)

Condensed milk and condensed cream, whether with additives or not

Cognacs

Varietal grape wines

Fragrances and cosmetic products on a list set forth by the Ministry of the Economy

Retractable-lead pencils, pens (except those for school-children), fountain pens, as well as sets including the above items

Souvenirs and products of folk crafts

Fabrics of pure wool and natural silk

Piece-goods of ornamental fabrics and decorator fabrics with ethnic motifs

Hand-embroidered products (except those for children)

Carpets and rug products

Three and four-chamber refrigerators

Automatic washing machines

Products of crystal

[Signed] First Deputy Minister of the Cabinet of Ministers of Ukraine
I. DOTSENKO

Appendix No. 2 to Decree of the Cabinet of Ministers of Ukraine, dated 21 October 1994, No. 733

Maximum Levels for Raising Prices and Rates for Products, Goods, and Services	
	Maximum wholesale price, karbovantsy
Coal and coal products for industry, per tonne	1.030 million
	Maximum retail prices, karbovantsy
Consumer goods and services rendered to the population	
Coal and coal briquettes, per tonne	300,000
Gas from pipelines (if gas meters are absent):	
for household needs (except for heating private houses), per cubic meter	500 effective 1 October
for heating private houses, per cubic meter	300 effective 1 October
Gas from pipelines (if gas meters are installed):	
for household needs, for heating private houses, per cubic meter	380 effective 1 October
Electricity for communal and household use (per 1 kWt-year) supplied to the population residing in:	
rural localities	280 effective 1 October
urban localities (except for buildings equipped with stationary electric cooking ranges and heating systems)	450 effective 1 October
urban localities (in buildings equipped with stationary electric cooking ranges and heating systems)	300 effective 1 October
	Maximum levels of fees and rate coefficients
Municipal and household services:	
services of water supply and sewers	
effective 1 October 1994	5.5 times the rate in effect in September
effective 1 December 1994	1.3 times the rate in effect in November
heat for hot water supply	
effective 1 October 1994	7 times the rate in effect in September
effective 1 December 1994	1.3 times the rate in effect in November
heat for central heating	
effective 1 October 1994	7 times* the rate in effect in September
effective 1 December 1994	1.3 times* the rate in effect in November
Rent per square meter of total floor space, karbovantsy	
effective 1 October 1994	630*
effective 1 December 1994	780*
	Maximum profit margins (as percentages of producer cost)
Bread and baked products from Grades I and II wheat flour and rye flour, bread and baked products from mixes of Grade I and superior grade wheat flour (with the content of superior grade wheat flour not to exceed 50 percent), bread and baked products for diabetes sufferers	15
Wheat and rye flour	10
Baby food	25

*) For the standard total floor space of 21 square meters per renter and each family member plus an additional 10.5 square meters per family, as well as for paying for one-bedroom apartment; 1.5 times the rate is collected for surplus floor space and its heating (except for one-bedroom apartments).

[Signed] First Deputy Minister of the Cabinet of Ministers of Ukraine
I. DOTSENKO

Appendix No. 3 to Decree of the Cabinet of Ministers of Ukraine, dated 21 October 1994, No. 733

The Jurisdiction of the Organs of State Executive Power in the Area of Setting Prices and Rates for Certain Types of Products, Goods, and Services

1. The Ministry of the Economy shall set:

rates of withholdings for geological prospecting;

procedures for regulating the rates for electricity and heat which are delivered to consumers (except for the population) by all energy-supplying organizations and enterprises [Footnote 1] [For heat—until 1 January 1995];

differentiated rates for electricity and heat generated within the organization of the Ministry of the Power Industry; broken down by the power generating associations at the request of the Ministry of Power Generation [Footnote 2] [For heat—until 1 January 1995];

wholesale prices for gas and gas products for producers and suppliers at the request of the State Committee for the Oil and Gas Industry.

2. The State Committee for the Coal Industry shall establish wholesale prices for coal and coal products in coordination with the Ministry of the Economy.

3. The Ministry of Defense shall:

specify the maximum extent of markups on the products of public catering establishments located in off-limits military settlements;

regulate prices for repairing armaments and materiel and for spare parts and components manufactured at enterprises reporting to the ministry, and rates for transportation services rendered by military units, and enterprises and organizations reporting to the ministry.

4. In coordination with the Ministry of the Economy, the Ministry of Transportation shall set the rates for:

the carriage of freight by rail within Ukraine and associated services;

the set of operations associated with the handling of cargo at seaports and river ports;

the carriage of passengers and luggage by rail (except for commuter traffic);

the carriage of passengers and luggage by buses on intercity and interoblast runs;

the carriage of passengers and luggage by river vessels (except carriage on foreign routes, within cities, and commuter traffic);

the carriage of passengers on scheduled flights of civil aviation on regular routes within Ukraine (until 1 January 1995);

shall set maximum levels of markups on the products of public catering in dining cars, cafe cars, and cafeteria compartments.

5. The Ministry of Communications, in coordination with the Ministry of the Economy, shall set the rates for:

principal communications services (except for rates for the services of urban telephone circuits and cable radio) within Ukraine;

international communications services.

6. The Ministry of Finance, in coordination with the Ministry of the Economy and the National Bank, shall approve prices for precious metals in the form of products and scrap and precious stones which are acquired from the population.

7. The government of the Autonomous Republic of Crimea, oblast executive committees, the Sevastopol City Executive Committee and the Kiev City State Administration shall regulate (set):

prices for coal and coal briquettes within the limits of established maximum prices and quotas for their sale to the population, taking into account qualitative characteristics and available budgetary resources, and prices for said fuel above the norms set for the population;

rates for heat generated within the organization of the Ministry of the Power Industry for industrial consumers and those with equivalent status;

prices for liquefied gas, household stove fuel, lighting gas, sliced combustible peat, peat briquettes, and firewood for sale to the population;

rates for passenger carriage and the cost of passes in urban transit—buses, streetcars, trolley buses, and subways;

rates for the services of water and heat supply and sewers for the population (effective 1 January 1995);

maximum levels of charges for the residence of workers and clerical employees in dormitories;

deposits for glass containers;

maximum trade markups for bread and baked products from Grades I and II wheat flour and rye flour, bread and baked products from mixes of Grade I and superior grade wheat flour (with the content of superior grade wheat flour not to exceed 50 percent), bread and baked products for diabetes sufferers, wheat and rye flour, baby food, and other types of foodstuffs for which prices are declared locally;

maximum levels of surcharges for products and cost calculation procedures at public catering enterprises and organizations;

maximum levels of trade markups on potatoes and nonperishable fruit and vegetable products;

maximum levels of trade and supply-and-distribution markups (surcharges) on domestic and imported medicinal preparations and medical products which are sold by trading enterprises that do not belong to the Farmatsiya association;

maximum profit margins for procurement and grain acquisition enterprises when sale prices are set for wheat, rye, and corn grain and hops;

maximum profit margins for the cost of processing products which are manufactured from customer-supplied raw materials or rates for their processing;

regulate rates for:

services to the population involving the repairs and manufacture of eyewear lenses and medical equipment;

for technical services rendered to health-care facilities (assembly, tuning, repairs, and comprehensive technical servicing of medical equipment and other types of work);

for paid services rendered by preventive-treatment and preventive-medicine economically accountable state health care enterprises;

the services of water and heat supply and sewers which are rendered to all consumers (except the population) by municipally owned enterprises.

8. The following rates shall be approved in coordination with the government of the Autonomous Republic of Crimea, oblast executive committees, the Sevastopol City Executive Committee and the Kiev City State Administration:

by railroad administrations—for the carriage of passengers and luggage by rail on commuter routes;

by territorial production associations of motor-vehicle transportation—for the carriage of passengers and luggage by motor vehicles on intercity routes within oblasts and on commuter routes.

9. The following rates shall be approved in coordination with the government of the Autonomous Republic of Crimea, oblast executive committees, the Sevastopol City Executive Committee and the Kiev City State Administration:

by the production associations of communications—for the services of urban telephone circuits and cable radio.

10. The Ministry of Industry shall regulate prices for coke and the products of the mining, metallurgical, and chemical industry in coordination with the Ministry of the Economy.
11. The Ministry of Industry shall regulate the rates for the services of water supply to the Ukrpromvodchormet production association and enterprises of the Kryvbaspromvodpostachannya in coordination with the relevant oblast state administrations.

12. The Ministry of Education, the Ministry of Health Care, and other ministries and departments which have educational and upbringing facilities shall set the maximum levels of charges for residence in student dormitories.

13. The Ministry of Internal Affairs shall set the maximum levels of charges for residence in the dormitories of the ministry.

14. The Ministry of Social Protection shall regulate prices for prosthetic and orthopedic products and technical means for disability prevention and rehabilitation.

15. The Farmatsiya association shall set the maximum level of trade markups on the wholesale prices for medicinal preparations and products for medical uses in coordination with the government of the Autonomous Republic of Crimea, oblast executive committees, the Sevastopol City Executive Committee and the Kiev City State Administration.

16. The government of the Autonomous Republic of Crimea, oblast executive committees, the Sevastopol City Executive Committee and the Kiev City State Administration shall set the maximum levels of trade and supply-and-distribution markups (surcharges) within the limits envisioned by Article 2 of the Edict of the President of Ukraine, dated 3 November 1993, No. 508 on Measures to Contain the Rate of Price Increases.

[Signed] First Deputy Minister of the Cabinet of Ministers of Ukraine

I. DOTSENKO

Foreign Trade Liberalization Decrees

95P50009A Kiev URYADOVYY KURYER
in Ukrainian, 27 Oct 94 p 7

[Cabinet of Ministers Decree No 734 from 24 October 1994: "On the Liberalization of Export Operations"]

[FBIS Translated Text] With the goal of realizing certain provisions from the address of the president of Ukraine on basis theses of economic and social policy, which was approved by the Ukrainian Supreme Council, the Ukrainian Cabinet of Ministers decrees the following:

- 1) Confirm for 1994 a list of goods, the export of which is subject to licensing and quotas, as well as the volume of export quotas in conformance with addenda Nos 1 and 2.

- 2) Establish that:

licenses obtained by subjects of enterprise activity for the export of goods indicated in addendum No 1 are valid;

the export of precious metals, precious stones as well as products made from them indicated in addendum No 3, are to be carried out with the approval of the Ministry of Finance.

3) The Ministry of Foreign Economic Relations, the Ministry of Finance, the Ministry of the Economy, the Ministry of Foreign Affairs, the Ministry of Justice and the State Customs Committee, within a 10 day period are to submit proposals to the Ukrainian Cabinet of Ministers concerning the procedure for carrying out reexport operations, export operations with goods of Ukrainian origin concerning which import quotas had been established by other countries, export operations with goods of Ukrainian origin against which competent organs of other countries are conducting or will begin

antidumping investigations, and the registration of export contracts.

4) Declare decisions of the Government of Ukraine invalid, in accord with addendum No 4.

5) This decree is valid from 1 November 1994.

[Signed] V. Masol
Prime Minister of Ukraine

[Signed] I. Dotsenko
First Deputy of the Minister of the Cabinet of Ministers of Ukraine

Addendum No 1 to Decree No 734 of the Cabinet of Ministers of Ukraine from 24 October 1994

The List of Goods, the Export of Which Is Subject to Quotas and Licenses

Goods	Code of Tariff Surcharges for Foreign Economic Activity
Grain	10.1-10.08 (except 10.08 300000)
Coal	27.01
Waste and scrap of precious metals and metal alloyed to precious metals	71.12
Worked cast iron	72.01
Waste and scrap of ferrous and non ferrous metals	72.04, 74.04, 75.03, 76.02, 78.02, 79.02, 80.02

[Signed] I. Dotsenko
First Deputy of the Minister of the Cabinet of Ministers of Ukraine

Addendum No 3 to Decree No 734 of the Cabinet of Ministers of Ukraine from 24 October 1994

List of Goods, the Export of Which May Be Carried Out With the Approval of the Ministry of Finance

Goods	Code of Tariff Surcharges on Foreign Economic Activity
Ores and concentrates of precious metals, metal that are precious in the colloidal form, inorganic and organic compounds of precious metals	26.16, 28.43
Precious and semiprecious stones, precious metals, metals plated with precious metals, products made from them, waste and scrap of precious metals and precious stones	25.30 90000 (amber), 71.02-71.04; 71.05 (only natural diamonds), 71.06, 71.08-71.16, 71.18 (only with precious metals), 82.07 (only with natural diamonds), 82.15, 91.11 10000; 91.13 10100, 96.02, 97.05

[Signed] I. Dotsenko
First Deputy of the Minister of the Cabinet of Ministers of Ukraine

Addendum No 4 to Decree No 734 of the Cabinet of Ministers of Ukraine from 24 October 1994.

List of Government of Ukraine Decisions Which Are No Longer Valid

- 1) Cabinet of Ministers Decree No 1046 from 17 December 1993: On the List Of Goods, the Export and Import Of Which Are Subject To Quotas And Licenses in 1994.
- 2) Directive of the Cabinet of Ministers No 1129 from 22 December 1993.
- 3) Cabinet of Minister Decree No 6 from 10 January 1994: On the Confirmation of the General Volume of Export Quotas for 1994.
- 4) Directive of the Cabinet of Ministers No 74 from 8 February 1994.
- 5) Cabinet of Ministers Decree No 147 from 3 March 1994: On Changes and Additions and Amendments to Cabinet of Ministers Decree No 6 from 10 January 1994.
- 6) Cabinet of Ministers Decree No 146 from 4 March 1994: On Changes to Cabinet of Ministers Decree No 1046 from 17 December 1994.
- 7) Directive of the Cabinet of Ministers No 158 from 5 March 1994.
- 8) Directive of the Cabinet of Ministers No 169 from 14 March 1994.
- 9) Cabinet of Ministers Decree No 179 from 26 March 1994: On Changes to Cabinet Ministers Decree No 1046 from 17 December 1994.
- 10) Directive of the Cabinet of Minister No 196 from 29 December 1993.

- 11) Cabinet of Minister Decree No 243 from 21 April 1994: On Changes and Additions to the Addendum to the Cabinet of Ministers Decree No 6 from 10 January 1994.
- 12) Cabinet of Ministers Decree No 249 from 27 April 1994: On Changes to Cabinet of Ministers Decree No 1046 from 17 December 1993
- 13) Directive of the Cabinet of Ministers No 295 from 28 April 1994.
- 14) Directive of the Cabinet of Ministers No 329 from 12 May 1994.
- 15) Directive of the Cabinet of Ministers No 350 from 17 May 1994.
- 16) Point 1 in the Directive of the Cabinet of Ministers No 370 from 23 May 1994
- 17) Directive of the Cabinet of Minister No 374 from 23 May 1994.
- 18) Cabinet of Ministers Decree No 460 from 6 July 1994: On Changes to Cabinet of Ministers Decree No 1046 from 17 December 1993.
- 19) Cabinet of Ministers Decree No 480 from 13 July 1994: On Changes and Additions to the Addendum to Cabinet of Ministers Decree No 6 from 10 January 1994.
- 20) Directive of the Cabinet of Ministers No 544 from 23 July 1994.
- 21) Directive of the Cabinet of Ministers No 572 from 5 July 1994.
- 22) Directive of the Cabinet of Ministers No 636 from 1 September 1994.
- 23) Directive of the Cabinet of Ministers No 705 from 26 September 1994.

[Signed] I. Dotsenko
First Deputy of the Minister of the Cabinet of Ministers of Ukraine

Franchuk Meeting on Foodstuff Sector Problem

954K0256A *Simferopol KRYMSKAYA GAZETA*
in Russian 1 Nov 94 p 1

[Report by Elena Alekseyeva: "To End the Outrage in the Trade Sector"]

[FBIS Translated Text] On Monday morning, Crimean Government Prime Minister A.P. Franchuk held an emergency meeting. Among those requested to attend were the top officials of the central executive authority, the agro-industrial complex, the committee for protection of consumer rights, and trade administrations; general directors of meat and dairy industry associations; and health services' top officials.

The tough conversation with officials in the prime minister's office was prompted by A.P. Franchuk's visit last Saturday and Sunday to Simferopol and Yevpatoriya food stores. The head of the Crimean Government was shocked by the outrage pervading the trade sector. Empty counters, irregular store hours, many-hour delays in deliveries of bread and milk; customer cheating with respect to purchase weight; absence of basic meat, fish, and produce items in the stores; holding back in the storerooms of sugar, cereals, flour, and eggs; mountains of rancid cream butter and blackened processed cheese; horribly unsanitary conditions—all of this the result of complete lack of control over trade organizations, which now lease the facilities and decided that they can do whatever they want.

A government audit commission was formed for an in-depth inspection of the state of affairs in the sale of foodstuffs to the population. The question was also raised of firing the heads of meat and dairy industry associations and the chief sanitary physicians of the republic and the cities of Simferopol and Yevpatoriya for negligence in carrying out their duties. Chairmen of the Simferopol and Yevpatoriya city executive committees were instructed to bring order into supply of foodstuffs to the population in the shortest time possible. Deputy Prime Minister F.F. Snegirev was tasked with looking into produce supply and the work of meat and dairy industry associations; A.Ye. Alekseyenko, deputy chairman of the Committee for Protection of Consumer Rights, with monitoring the assortment of foodstuffs in the stores; and Deputy Minister of Economics F.F. Kostyuchenko, with identifying foodstuffs inventories. The officials in charge will report on the work done at the next government meeting on Friday.

Economics Official on Energy Cost Increases

954K0256B *Simferopol KRYMSKAYA GAZETA*
in Russian 1 Nov 94 p 1

[Unattributed report: "How To Soften the Blow of Price Increases?"]

[FBIS Translated Text] A Ukrainian Cabinet of Ministers' decree envisages raising considerably the prices for fuels and power, which inevitably will result in higher prices for foodstuffs, goods, and services. We asked F.F. Kostyuchenko, deputy minister of economics of the Crimean Government, to comment on the situation.

"We are trying to find at least some levers for locally softening the blow of price increases, to find some reserves in the local budget. The system of set price lists no longer exists—prices are formed by producer enterprises. When fuel and power rates go up, it raises the cost of production. Our task is to look attentively through all these materials to see that there are no extra surcharges, that proper price-forming procedures are observed and normative acts are not violated. Cabinet of Ministers Decree No. 733 defines the powers of local organs of

executive authority. Prices on a number of basic necessities will be declared by producer enterprises, that is, before putting them into effect these prices will be presented to us for consideration and approval. Certain subsidies will be provided, but only to the extent the local budget can sustain it.

Circumstances Around Coal Firm Bankruptcy Examined

944K2411A Lvov POST-POSTUP in Ukrainian No 33,
15-21 Sep 94 p B2

[Article by the Analytical Group "Hroshi Donbasu"
[Donbas Money]: "Donetskvhillya Declared Bankrupt"]

[FBIS Translated Text] On 7 September, the arbitral tribunal of Donetsk Oblast set a precedent for all of Ukraine—it declared the Donetskvhillya Production Association bankrupt. Last week, Judge Volodymyr Matyukhin matter-of-factly announced his decision to the creditors (there were no representatives of the defendant in the courtroom). The reaction was immediate: Official Donetsk and official Kiev are demanding, directly and indirectly, that the judgment of the tribunal be rescinded...

"The strangest thing was," admitted Volodymyr Matyukhin in a conversation with our correspondent, "that neither I, nor my colleagues felt any pressure either in March, when the suit was filed by Prominvestbank, Ukrsofsbank, and the Ukrpromvodchormet Production Association, or when six more Donetskvhillya creditors came forward after the publication of the bankruptcy notice, or in August, when the plaintiffs' claims were judged well-founded. On the contrary—complete indifference reigned."

It was not until the eve of the trial that Mykola Hrechkovskyy, first deputy chairman of the Highest Arbitration Court of Ukraine, telephoned the oblast arbitral tribunal demanding that the proceedings be postponed under any pretext. After the tribunal handed down a bankruptcy decision, Hrechkovskyy warned the judges that their fate would be decided by the presidium of the Highest Arbitration Court of Ukraine. Matyukhin and his colleagues think that their judgment will be rescinded as part of initiated oversight and the case will be handed over to new judges for trial.

The thing is that on 29 August, the Presidium of the Cabinet of Ministers under the chairmanship of Vitaliy Masol discussed measures "aimed at stabilizing the work of enterprises in Ukraine's coal industry" and charged the Ministry of the Economy, the Ministry of Finance, the National Bank of Ukraine, and the State Committee on the Coal Industry [Derzhkomvuhillya] to pay off the credit obligations of coal enterprises. There is no question that Donetskvhillya's debts will be paid from the budget and the bankruptcy case will be laid to rest in the second trial.

The judgment of the arbitral tribunal threw a wrench into the plans of Valentyn Ilyushenko, the general director of the Donetskvhillya Production Association, and his team. They hoped to use the bankruptcy proceedings to convince the government of the urgent need for new subsidies to save the association. At the same time, Valentyn Ilyushenko

could not allow the association to be declared bankrupt, because this would have automatically given the interested parties access to the association's banking and other documents.

It is these circumstances that explain some of the incongruities that emerged during the proceedings. For example, only five of the association's 20 mines are unprofitable; a ramified network of commercial structures has been created as part of Donetskvhillya, including a bank and an exchange. One can understand the creditors' surprise (the total amount sued for was 116 billion karbovantsi) when they ultimately concluded that it was less a matter of the debtor's inability to pay his debts than his unwillingness to do so. At least, out of his own pocket.

The creditors are not the only people who want to know to whom and through what channels the coal is sold and which banks the money goes to. But this is very difficult to establish. For example, during the proceedings, the judges demanded that the plaintiff provide information about the structure of the association, but this data was never received. When the MTZ and ZP (material and technical supply and production marketing) firm was declared bankrupt in June, officials from the procurator's office and the tax inspectorate were not permitted access to the Donvuhlekombank that the association had created. The MTZ and ZP firm continues to operate as before, and, mark this, enters into credit agreements, which, judging by everything we know, are paid off by Donvuhlekombank.

It was no accident that the bankruptcy of Donetskvhillya occurred in 1994. The telegrams sent before the new year by Yukhym Zvyahilskyy about prohibiting banks to issue credits, as well as his subsequent messages, resulted in the mass failure by state enterprises to pay off their bank loans. The money received in subsidies went to the banks created by "coal industry workers," while their settlement accounts sported zeros until the redistribution of financial resources could be completed. One's own hand is boss. Especially, in "one's own" pocket.

BELARUS

January-August Economic Statistics Summarized

954K0159A Minsk ZVYAZDA in Belarusian 29 Sep 94 p 1

[Unattributed report under the rubric "Between the Lines of State Statistics": "No Real Turn for the Better Observed in the Economy; Shock Continues"]

[FBIS Translated Text] **The Most General Indicators of the Republic's Socioeconomic Development and Results of Economic Management for Eight Months**

Some results and indicators, as given in speeches in interviews with representatives of state government, are familiar to readers. Today we present a traditional economic overview based on materials of the State Statistical Committee. It is worth noting at the outset

that these statistics, again, by no means reflect the best aspects of the economy and our overall socioeconomic development.

The national income from January to August (in comparable prices) declined by 27 percent compared to the same period last year.

The gross domestic product that was generated in all sectors of the economy and intended for end use, accumulation, and export, fell by 26 percent.

The volume of output in industry was 72.7 percent of last year's (yet a definite improvement took place in industry in August). The biggest decline came in the fuel industry, building materials industry, and light industry; the smallest was in food and energy.

The volume of output in agriculture was 90 percent of last year's level.

In the January-July period 691 enterprises and organizations—8.4 percent of the total number—had losses. The biggest percentage came in sectors of the nonproduction sphere.

Nonpayments are still a problem. As of early August, moreover, monetary funds of enterprises and organizations covered only 8.1 percent of the debts payable to suppliers for goods, work, and services. This problem is augmented by the problem of indebtedness for wages and salaries; the main reason is that enterprises and organizations either do not have enough funds in current accounts, or none at all.

Credit inputs in the economy rose 4.9-fold from 1 January to 1 August. The percentage of long-term credit inputs in the overall sum fell from 19.1 to 9.7 percent. Average interest rates for newly issued commercial bank credits stood at 155.5 percent in July, versus 219.3 percent in January.

The output of consumer goods fell by 19.4 percent from January to August, including 14.7 percent for food products and 26.1 percent for nonfood items. Moreover, light industry output fell by 36 percent. There was a sharp drop in the output of fabrics, especially cotton (by 62.9 percent), knit goods (45.7), and stockings and hosiery (45.5). Children's products also dropped substantially.

As for food products, the greatest decline occurred in "groats from state grain stocks," pasta and sausage products, canned goods, and also wine, beer, and soft drinks. No margarine, mayonnaise, or hand soap was produced in August at all; cigarette and tobacco production declined by 65.4 percent.

Sales of basic food products through the trade network look like this: sales of meat and poultry in the eight months stood at 65 percent of last year's level; the figure for sausage products was 70 percent; meat, 83 percent;

cooking oil, 99.6 percent; whole milk products, 102 percent; and eggs, 70 percent. The State Statistical Committee reports that the main causes of reduced sales of particular food products are higher prices and reduced amounts coming into the trade network. According to this report, statistical agencies in August made a survey of food products available in 490 stores in 112 cities and communities of the republic. Milk, sour cream, bread, and eggs were absent from 15 to 19 percent of the stores; kefir, cottage cheese, and butter were absent in 25 to 31 percent; sugar, meat, poultry, boiled and smoked sausage, fish, and pasta in 40 to 49 percent; beef, cheese, and flour in 52 to 58 percent; pork and lard in 83 to 88 percent; buckwheat and semolina groats, rice, and margarine in 90 to 96 percent.

There is still a shortage of many kinds of sewn goods, knit outerwear and underwear, stockings and hosiery, teenagers' and children's footwear, kitchenware, and other goods. In one-third of the cities and trade enterprises surveyed in August, there was no children's footwear or knit goods, stockings, or bedding for sale. In 97 of 120 cities surveyed there was no household soap, and in 57 of 58 there was no hand soap or laundry powder produced by the republic's enterprises.

Retail trade turnover (in the officially surveyed enterprises) in the January-August period stood at 72 percent of the same period last year. The share of food products in the overall volume of trade turnover rose from 44 percent in 1990 to 61 percent this year.

People's monetary earnings from January to August rose 19.7-fold compared to the same period last year, while the overall consumer price index rose 24.8-fold—including 53.4 percent in August (the highest jump this year or last). People's real income (income minus obligatory payments and contributions, corrected for the consumer price index) stood at 70.9 percent of the level in December 1993. Real wages (from January to July) fell by 33 percent. Counting the conversion of the Belarusian ruble to the Russian ruble according to the National Bank's rate in July, the average nominal wages of the republic's citizens was 27 percent of average wages in the Russian Federation (keep in mind that these data are based on the earlier rate, which was more favorable to the Belarusian ruble). Highest wages went to office personnel in construction, whose wages and salaries in July exceeded the average republic level by 1.9 times.

Prices on food products rose the fastest, and, in fact, much faster in the retail trade network than in city markets. Compared to August 1993, the price of potatoes in city markets rose 45.2-fold (versus 79.3-fold in retail), onions—67.8-fold (versus 86.5), carrots—48.5-fold (42.4), tomatoes—32.7 (29.4), apples—50.1-fold (53.5). Overall, consumer prices on food products rose by 59.6 percent in August compared to July, versus a 3.2 percent drop in the city markets.

KAZAKHSTAN

Nazarbayev on Moscow, Istanbul Summits

954K0183A Almaty PANORAMA in Russian No 41,
22 Oct 94 p 11

[Interview with Nursultan Nazarbayev, president of the Republic of Kazakhstan, by Irina Bektiyarova: "The Ideas of the Istanbul and Moscow Summits Do Not Contradict Each Other"]

[FBIS Translated Text] [Bektiyarova] Nursultan Abishevich, what significance do you attach to the Istanbul summit of Turkic-speaking states?

[Nazarbayev] First of all, I view the Istanbul meeting in the context of my idea of convening a Conference on Reciprocity and Measures of Trust in Asia. And in no other way. Any meetings and regional contacts that work for the accomplishment of this idea have paramount significance for me—and all of the participants in the Istanbul meetings are participants in this conference. Therefore, I am taking part in these kinds of regional measures.

The meeting of heads of Turkic-speaking states was planned for Baku. But it did not take place. It was held in Istanbul. The Istanbul declaration, signed by six presidents, responds to the regional interests of these states. For the most part it has an economic direction.

Our agreements in no way hinder the mutual relations of our states with other states and their associations. Five of the six members of the Istanbul summit who are members of the Commonwealth of Independent States understood very well that the Istanbul agreements do not interfere with the mutual relations and obligations that they undertook within the scope of the CIS.

The summit was not directed against third states. It can only enrich the Commonwealth, which will have mutual relations with the European Union, the League of Arab States, the Pacific Ocean Union, and others. All this will only be a boon and beneficial. Any speculation here is out of place. What is more, the independent states are themselves building their own policy, and no one should in any way instruct them how to conduct it. As for Kazakhstan, it continuously proclaims that it supports equal relations with all neighbors and in all directions.

Kazakhstan will not accept any kind of pan-Turkism or pan-Slavism. I declare this everywhere.

[Bektiyarova] Nursultan Abishevich, two summits are taking place this week simultaneously—the Istanbul and Moscow summits. Many observers are drawing parallels, speaking of "Moscow's shadow" in Istanbul, and Russian diplomats are reporting in the Turkish press that they are guardedly looking at the meeting of Turkic-speaking states, inasmuch as Russia's interests could be affected. What is the interconnection between the two summit meetings?

[Nazarbayev] There is no connection.

We hope that the Moscow summit, which was postponed several times, will be held. The agenda is well known. I think that if it is adopted, the main event will be an agreement concerning the organization of an Interstate Economic Committee [MEK], of the collegiums and of the committee itself, and a staff of full-time workers will be approved who in the end will work on the integration of our economies and carry out executive functions.

On my recommendation, a discussion of the EAS [Eurasian Union] was introduced. It would be good if the presidents expressed their opinion on this question. It is possible that no decision will be adopted at this summit. But if we commission the existing organs and experts to prepare proposals on this question for the next meeting, it would not be bad.

A half year has passed since Kazakhstan announced the idea of the EAS in March. Since that time there have been more than 200 publications in the mass media. International conferences have been held. There has been a huge response. Specific proposals have been submitted. I sent all of them to the CIS. Work has been conducted outside the framework of the Commonwealth. Some East European countries, the Baltics, China, and others are expressing an interest in the idea.

Therefore I continue to believe that I express the opinion of a large number of people, perhaps a majority of those who live on the territory of the former USSR. In some measure I initiated this idea, expressing their will. For me the main thing is the humanitarian and human question. Separated by the borders of 15 states, citizens of the former Union should move peaceably into the new status. No one should interfere with this. This is the first thing.

Further—all enterprises and the people who work in them will win from integration. After all, we are starting to lose our domestic market, which is very important. Everyone hoped that they would find a new one, but they did not find one, and they will not find one soon. World competition is very high. Our products cannot survive the competition.

I can say one thing—the proposal for an EAS nonetheless gave a push to the integration process. It is for this reason that a program was developed for intensifying integration. Therefore, the creation of the MEK was accelerated. Therefore, all the republics began to talk about the fact that more intensive processes of integration should be going on in the CIS than is now the case.

In addition, I emphasize that the main question that will lead to mutual understanding will be the equality of all, the sovereignty of our states, fraternity, and a common fate and history. I believe that this is the favorite subject on basis of which we can unite. The predominant role here undoubtedly belongs to Russia.

[Bektiyarova] Do you not think that a cooling will occur in Kazakhstan-Russian relations? Less contacts, the visit of President Yeltsin is being postponed...

[Nazarbayev] This is a remnant of the past, when relations were judged by the number of visits. In the first years of sovereignty we conferred often, and they came because there was a tie. The main thing is that there was a common currency—the ruble. When Russia chucked Kazakhstan out of the ruble zone, it seemed we had fewer problems, and there was no need to meet as often.

But the dynamics of the development of Russian-Kazakhstan relations are quite sound. We signed 23 documents in March. It is necessary to prepare documents for the next summit meeting. They are now being worked on. First and foremost documents on a resolution of the question of citizenship. We want citizens of Russia to be able to come freely to Kazakhstan and to acquire citizenship where they want to live, without procrastination. And the other way around. A whole package of documents accompanying an agreement on Baykonur. The experts are working.

In building its entire foreign policy, Kazakhstan assigns a special priority to Russia in all relations. Not only because Russia is our neighbor and we are strongly integrated. This responds to the global strategic interests of Kazakhstan and Russia. Kazakhstan is also a main partner of Russia on the supply of its raw materials and commodities. Just as Russia is for Kazakhstan.

But the main thing is the human factor. Today more than 1 million Kazakhs live in Russia. There are several million Russians in Kazakhstan. We cannot fail to consider these factors in our mutual relations.

It is extremely important in these difficult times to find a resolution to such problems without conflict, peacefully, and at a civilized level.

Session Addresses Agroecological Problems

954K0143A *Almaty KAZAKHSTANSKAYA PRAVDA*
in Russian 20 Oct 94 p 2

[Article by Vladimir Li, KAZAKHSTANSKAYA PRAVDA: "Agroecology—This Sounds Pathetic. Notes from the Off-Site Session of the Kazakh Academy of Agricultural Sciences"]

[FBIS Translated Text] Recently Kzyl-Orda has become a kind of mecca where representatives of various departments gather and hold conferences. This spring a seminar of workers of the republic's law enforcement departments was held here, and just a little later there was one for consumers' cooperation workers. At the beginning of October the Kazakh Academy of Agricultural Sciences held an off-site session in Kzyl-Orda.

Participating in the work of the session were leaders of ministries and departments, politicians and public figures, deputies, and managers of enterprises, sovkhoses,

and kolkhozes. On the agenda of the session, which was opened and conducted by the academy's president, G. Kaliyev, were the most critical issues of agroecology for the Aral Sea region.

The crisis that has struck the country has put ecological problems on the back burner of public attention. Passions concerning the dying Aral have died down. Less and less attention is being devoted to the ecological problem of the region and its residents. Attempts were even made to suspend the law on the Aral area. Thank you deputies for defending it. As many seminars, conferences, and meetings as there have been in recent years, there has been an equal number of various resolutions, decrees, and recommendations concerning the Aral. But where is their practical implementation? This year the construction of a dam protecting the sea—Malyy Aral—was suspended. The government does not have the money for it.

The time allotted for saving even part of the sea will pass. And along with it the prospects for restoration of normal life along the lower reaches of the Syrdaraya and the Aral region.

The next forum of scientists in Kzyl-Orda will most likely not change the situation but it could possibly draw the government's attention to both the ecological and the socioeconomic condition of the region.

Agroecology, that is, the ecology of agriculture, is in a pathetic state. With the present situation in rural areas it is not really possible to effect it with our own forces. The restoration of pastures and saline and polluted fields costs money and also requires large expenditures of energy. Here are the figures from a report at the session delivered by the chief of the Kzyl-Orda Oblast administration, S. Shaukhamanov. There are 286,000 hectares of irrigated fields in the oblast. Of these, 215,000 have engineering facilities. Water is delivered to these fields by 27,000 kilometers of main canals. Today this entire gigantic irrigation network is in critical condition since during recent years the state has not allotted a single tenge for its maintenance and reconstruction.

More than 25,000 hectares of land with engineering facilities have already been taken out of economic circulation. In the next few years the same fate awaits another 126,000 hectares. The oblast does not have the funds for reconstruction and restoration of the fields and the state is not allotting them. Throughout the world irrigation farming is supported by state funds. Here all this is the responsibility of the local authorities and the budget. The localities are undertaking to restore the fields and pastures, but there are some things they are not capable of doing. The oblast cannot develop sheep raising either since the feed base has been undermined. On 9 million hectares of sheep pastures there are only 6,000 watering places, and only a third of these are in working condition. There is practically no irrigation on these 9 million hectares.

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Even if funds are found, the problem of the ecology of the agricultural region will not be fully solved. Emergency measures are needed to protect the waters of the Syrdaraya from pollution. The republic cannot solve this problem independently. Collective sources of pollution of the river are located outside the republic. Above the Chardarya water reservoir there are 140 drainage and collector systems that discharge about 12 cubic kilometers of unpurified waters into the Syrdaraya. For example, in Kzyl-Orda Oblast there are just three collectors whose flow of drainage water makes up only 1 percent of the overall drainage water from our neighbors. It is reaching a point where one-third of the river water in the Syrdaraya on the territory of Kzyl-Orda Oblast is toxic drainage water. Scientists recently conducted a study of the Chardarya water reservoir and discovered that the concentration of harmful substances and compounds in the water is twice the allowable norms. They have found morphological changes in the organs of all fish inhabiting it. The consumption of this fish for food leads to diseases of the liver, kidneys, and intestine and other dangerous diseases. In the lower reaches of the river, that is, on the territory of Kzyl-Orda Oblast, the water is even more toxic. And yet a considerable proportion of the oblast's population uses this river water since there is no other. Residents of the oblast eat fish containing toxins since there is no other fish either. Vegetables and other agricultural products are also contaminated with poisons. Even the fields are losing their natural productivity because of it. What can be said about the people here?

Toxic chlororganic compounds have been found in the milk of the majority of nursing mothers in Aralskiy and Kazalinskiy Rayons. Just in recent years the number of victims of urolithic ailments has increased 15-fold. During the past 10 years viral hepatitis has afflicted 10 percent of the residents of the oblast and the number of victims of abdominal typhoid has increased fivefold. As compared to 1979 the number of victims of bronchial asthma in Kzyl-Orda has increased 139-fold. Medical examinations have shown a progressive reduction of the protective functions of the immune system of people living in the oblast. They have been infected with ecological AIDS.

The ecology of agriculture is also the ecology of humans. In my view, we must not put these problems off until later. Because a catastrophe could undermine the life of an entire region tomorrow. We have long been faced with the problem of establishing interstate control over pollution of the Syrdaraya. The river, which produces life, brings disaster with it as well. But the matter has never gone beyond words.

For so many years people at all levels have been talking about a program for improving the health of the population of the region. Immense amounts of money, including foreign currency, are being invested in the construction of treatment institutions. The Bulgarians are now completing the construction of an immense oblast hospital. And yet in

the hospitals that exist there are no pharmaceutical preparations, cotton, bandages, or medical instruments. The pharmacies are empty or half empty. And this is in an oblast where, in the opinion of medical experts, there are practically no healthy people. Therefore people are fleeing from here, and now it is no longer just the Russian-speaking people but also indigenous people, whose ancestors have lived on this land for thousands of years. Because they do not believe the government's assurances that tomorrow things will be better.

The participants in the off-site session will excuse me for not giving the names of the speakers and not discussing many of the problems of agroecology. There are many of them. And the range of problems discussed went far beyond the designated subject. The question of increasing the capacity of the Syrdaraya seems important. For the last two years during the period of spring flooding the waters could not be contained within the banks and they had to be diverted into various low areas and old river beds in order to avoid flooding the population points on the lower reaches. During the past decade when the waters have not been high the river has become very shallow and is not capable of holding all the spring waters. For this reason alone the dying Aral is not receiving thousands and millions of cubic meters of life-saving water. The possibilities of assimilating the dried bottom of the Aral were also discussed. It is quite possible to solve all these problems. But this again takes money. The International Fund for Saving the Aral, which was founded last year, has begun to function by running aground financially. The funds being received from the founders are purely symbolic. The World Bank and the Western states are prepared to help, but real help will come from them only if the states of Central Asia can move from words to deeds. One cannot say that no help at all is being given to the region. But it is not sufficient to stabilize the ecological and socioeconomic position of the region, which is deteriorating catastrophically. One can only hope that the recommendations from the scientists and specialists developed at this session of the Kazakh Academy of Agricultural Sciences will help the people of Kzyl-Orda to solve as many ecological problems as they can and that these will be taken into account by the government.

'Tengizchevroil' Problem Explored

954K0173A Almaty KARAVAN in Russian No 42,
21 Oct 94 p 7

[Article by Yevgeniy Kosenko: "Kazakhstan Oil. Waning of Past Enthusiasm?"]

[FBIS Translated Text] As is the custom, the festive ceremony for the opening of the Second International Exhibition "Petroleum and Gas '94" began with a speech from the Republic's former prime minister, S. Tereshchenko. In addition to the usual toasts, the head of government expressed his sincere hope for the quickest resolution to the urgent problems of Kazakhstan's oil extraction industry.

The prime minister's vague words the night before were concretized by the deputy minister of the petroleum branch, Pavel Labayev, who especially emphasized that in the exhibition priority had been given to companies engaged in developments in the area of transportation of crude oil, since it is transportation that is the weakest place in our Republic's petroleum strategy.

While following the tradition of avoiding strong expressions, members of the government still fairly clearly let it be understood that if the Gordian knot of international politico-economic factors is not untangled in the near future and the answer to the question of what to do with the extracted oil finally made clear, the situation could become critical not only for Kazakhstan itself but also for all the foreign partners.

Even at the exhibition itself, a similar concern was expressed by representatives of the majority of firms with permits to operate in Kazakhstan. And, as a rule, they all boiled down to one thing: From now on, they would not sign another agreement until the Kazakhstan Government gave clear guarantees of prompt shipment of the raw material. Always figuring as an example of what should not happen was the Tengizchevroil joint-stock company, whose unenviable position introduced real confusion into the minds of potential energy partners. Everyone wants to learn from others' mistakes, but can all the collisions that arose over the once widely advertised "transaction of the century" really be called this? In order to figure this out, it is necessary to take a brief excursion into the history of the creation of the joint venture.

6 April 1993. The Republic of Kazakhstan and the Chevron Corporation announce the creation of a joint venture for the purpose of assimilating the Tengiz and Korolevo petroleum deposits on the northeast coast of the Caspian Sea. The agreement signed at that time registered the creation of a joint venture for a period of 40 years and specified the payment to Atyrau Oblast, on whose territory the work was being done, of \$50 million and also the payment to the Kazakhstan partner, Tengizneftegaz, of 50 percent of the overall income. The agreement was drawn up in such a way that the Republic's incomes would increase as the profitability of the joint venture increased. The distribution of incomes during the entire period of the enterprise's operation was to have provided 80 percent of the profit for Kazakhstan and 20 percent to the Chevron company.

Then in a conversation with President Nazarbayev, the chairman of the board of Chevron, Kenneth Derr, solemnly announced that by the year 2010 the volume of petroleum extraction would reach 700,000 barrels a day, as against the current 65,000.

This is the kind of completely idealistic picture that had developed by the time of the creation of the joint venture. The difficulties began right after that. Literally during the first months after the beginning of operations, Russia made her harsh alterations to the bright plans of

the enterprise. Strict limitations were placed on the export of Tengiz oil. These were justified by the fact that it contains an impermissibly high percentage of corrosive components—mercaptans, which destroy Russian pipelines.

As a result, the joint venture was forced to sharply reduce its volume of extraction. **At the present time, Tengizchevroil is delivering only 120,000 tonnes a month, while before its creation no less than 330,000 tonnes were extracted each month.** The seriousness of the situation that developed, whereby all the joint venture's subsequent activity was threatened, forced Chevron to play its trump card by investing an additional \$40 million in the construction of a purification plant. But, in spite of this radical solution, there is not a trace left of the initial wave of optimism among Chevron's managers. In an interview with NEWSWEEK magazine this summer, the manager of the joint venture, Charles Auermann, stated that "although this is not a project one would want to abandon, on the other hand you cannot expect that the corporation will continue to invest similar sums in enterprises when the probability of solving the problems retarding its profit are negligible." In his opinion, the problems being experienced by the joint venture **are capable of blocking all transactions of foreign companies in the region, including even the development of the Caspian shelf.**

Chevron's pessimism and the caution of other companies were reflected in the current exhibition as well. The main contractor for construction of surface facilities on the oil fields in Kazakhstan, the Bectel firm, preferred not to enlarge upon the potential for cooperation. The company's representative in Central Asia, Joanne White, cautiously noted that **"the company's main objective at the present time is to observe."** And in response to a question about the Caspian pipeline, which the firm so widely advertised last year (a map of the future construction was even drawn up) Ms. White simply preferred not to answer, referring to her "lack of authority" (?).

And another participant in the construction of the pipeline, the Willbros firm, did not bother to participate in the exhibition, obviously having decided not to tempt fate and to halt the development of further contacts with our Republic. This is the opinion held by a highly placed bureaucrat of the Ministry of Energy and Bioresources who wished to remain anonymous.

To be sure, there is another, more optimistic viewpoint regarding a solution to the Tengiz problem. It is based on the protectionist policy pursued by Kazakhstan's former energy minister, Ravil Cherdabayev (who is, incidentally, the former deputy general director of Tengizchevroil).

Representatives of other petroleum extraction firms with whom we spoke at the exhibition were not enthusiastic about Mr. Cherdabayev's decision to allot 100 percent of all quotas to Tengizchevroil. "Possibly it is time to refrain from taking aggressive action," stated one of

them. At the same time, Tengizchevroil leaders, represented by the chief of the department for communications with the government, Robert Williams, prefer for the Kazakhstan leaders to be more active in solving political problems that arise, emphasizing that normal functioning of the joint venture should be equally advantageous for both Kazakhstan and Russia.

Incidentally, while the problem with Tengizchevroil is being solved, the majority of other companies are more and more frequently looking in Turkey's direction, obviously seeing there a rescue from the serious Kazakhstan-Russian problems. Potential pipelines could be turned in its direction. But this is in the distant future. And for now Kazakhstan is faced with a problem which if ignored could lead not only to a loss of the lion's share of Western investments but also to a loss of political face.

Results of Regulating Insurance Activities

954K0170B. Almaty KAZ. IAN in Russian No 42,
21 Oct 94 p 13

[Article by Vladimir Lidin: "The Insurance Market: There Are No Others, but These Are Far Away"]

[FBIS Translated Text] *In April of this year, President Nazarbayev issued an edict marking the imposition of strict order in the republic's insurance market. Before that, anyone who wanted to could handle insurance: Any commercial firm included this kind of activity in its regulations and became an insurer, sometimes with neither sufficient funds nor the professional skills for the insurance business. And there was no normative documentation on this business either, so although the market developed actively, it was without "rhyme or reason."*

But the "order" proposed in the edict meant for the majority of insurers not so much civilized activity as termination of any activity at all. The state again demonstrated that it has power: Instead of cautiously pruning the "insurance jungles," it began to cut them off at the root.

The main obstacle to the businessmen were the new requirements for minimum amounts of authorized capital: from 200 tenge (a sum that is no doubt quite ridiculous) it was increased in one fell swoop to 2 million. Where were they supposed to get that kind of money? From profits? But the majority of the insurers had not managed to "get going" that well yet. So all they could do was ask their founders. But their generosity is not without limits.

Understanding that this problem could not be solved in a day, the Department of Insurance gave its wards a "head start": Up until the end of the year the businessmen would receive temporary licenses even if their authorized capital was less than two "mil." True, they would no longer have the right to handle property insurance, being left with only personal and medical. But effective 1 January 1995 all "head starts" would be canceled.

It is not surprising that the insurers got depressed, the more so since, seeing no chance of survival, they did not apply to the Ministry of Finance for licenses. Of the 623 insurance companies registered in Kazakhstan, only 106 received temporary licenses. And at the beginning of next year, in the opinion of experts, there will be only 20-25 of them left.

Of course, one could rejoice in the classical Ilich formula—better to have less but better. **But certain peculiarities of the current situation in the insurance market are alarming.**

In the first place, the chaos is being replaced by monopolism. We can already see the big ten companies that began to operate earlier than others and managed to make more money, as a rule, from insurance credits. These companies in principle are ready to meet all the requirements of the Ministry of Finance: The current "felling" is advantageous to them, since it knocks potential competitors off their feet.

In the second place, there is something like a schism growing in the loose ranks of the insurers: The companies not included in the ten chosen ones intend to fight for their rights. One must assume that it was not without their knowledge that the Supreme Court deputy Vladimir Chernyshev recently filed charges in the Constitutional Court disputing the president's April edict. Incidentally, according to the conclusion of experts, this edict violates nine articles of the Constitution and seven laws all at once. So there is a chance that certain measures for "imposing order" will be declared legally unsupported.

In the third place, businessmen who do not wish to be named in the press think, "order" on paper does not mean order in reality. They have prohibited, say, the actual delicately criminalized form of work—insurance of credit. Now there is not a single bank that will accept an insurance policy from you: Bring in a letter of guarantee from another bank and then we can talk about credit conditions. What has this led to? Above all—an increase in their "cut off the top." Previously, according to purely unofficial information, insurers in their drive for clients were satisfied with a small "cut" of 5 percent of the overall sum of credit. Now a bank that gives a letter of guarantee collects 15-20 percent. Add to this the 20 percent "cut" for the creditor's bank. It is understandable why businessmen are not ecstatic.

And, finally, **in the fourth place**, the current stagnation of the insurance market in combination with revolutionary innovations of state organs is plunging many foreign businessmen into cautious bewilderment, including those who had nothing against setting up a partnership with our insurers and engaging in re-insurance. Here is a typical excerpt from a letter that came to the manager of one Almaty insurance firm from the head of the Bauring Company—a subdivision of one of the largest firms in the world, Marsh MacLennan: "It was nice to meet you personally. But a lot of time has passed and we have

heard no news of you. We would like to know about your successes in your very atypical and difficult insurance market."

And how is one to explain to the authors of this letter that in Kazakhstan all insurance risks involve the participation of foreign capital, and all insurance and re-insurance operations with the participation of foreign firms are conducted exclusively through the state company Kazakhinstrakh? Would it not be better not to respond at all, not to write to London; they would not understand anyway.

Case of Pavlodar Aluminum Plant Examined

954K0170.1 Almaty KARAVAN in Russian No 42, 21 Oct 94 p 13

[Article by Feliks Sokolov: "Aluminum Dreams"]

[FBIS Translated Text] *The classics were right when they said that there is much on earth that our wise men have never dreamed of. For example, there is much that we in our republic have not yet dreamed of. And not just the wise men.*

Just take the Pavlodar Aluminum Plant (PAZ) joint-stock company. Last year it brought more than \$100 million into the state treasury, while in 1994 the plant does not have enough money not only to settle with the budget but even to settle with its suppliers or pay its own workers. What kind of miraculous transformation of a princess back into Cinderella is this?

It all began at the end of November 1993 (at that time Pavlodar workers were still working hard to give the country aluminum and foreign currency) when government decree No. 1124 appeared. It contained an interesting provision prohibiting PAZ from exporting this same aluminum itself and, the main thing, on a competitive basis. Away with the experience accumulated by production workers in all foreign economic activity, away with the already existing effective ties with foreign partners. But as one sympathetic old man by the name of Spinoza once said, nothing comes from nothing. And this means that while using one hand to take away from the Pavlodar workers the right to export independently, the wise men in the Cabinet of Ministers used the other to sell it to the British company Trans World Group (TWG) and the Kazakhstan foreign economic company Otyrar.

What gave the British such a good recommendation that our government was so glad to turn over to them the keys they had taken from Pavlodar Aluminum? Perhaps it was the fact that in 1993 they had managed to get into debt to this plant for \$2.7 million. Or the fact that they "forgot" to pay the Siberian aluminum producers several million "greenbacks." Of course, we are most likely not supposed to know about this. We know only that the KRAMDS company, which was dealing directly with PAZ at the time, lobbied strongly for this version.

There are no others, but in 1994 KRAMDS ended up further away from the Pavlodar plant. But the export

plan established by decree KM 1124 remains in effect to this very day. What are its preliminary results?

Let me remind you that the decree ordered the plant to increase production of bauxites and to obtain finished aluminum by "enlisting the financial, trade, and organizational services of the company Trans World Group. We did not manage to find out what financial and other means TWG has. But we did learn that the foreigners are very happy to work with others' funds: Without coordinating with Pavlodar Aluminum, they paid prices that were clearly disadvantageous to the plant for the delivery of raw and processed material resources, and other suppliers of PAZ are still waiting for payment for their services for a grand total of \$14.8 million, etc. The main results of this busy activity for the plant was the sullied reputation of PAZ among the consumers and also 961 million tenge in accounts payable and \$999.56 million in accounts receivable.

Yes, there are many other things like this on earth....

Coal Mining Subject of Suleymenov Appeal

954K0145A Almaty KAZAKHISTANSKAYA PRAVDA in Russian 20 Oct 94 p 1

[Text of an open letter to the residents of Almaty and Taldykorgan Oblasts: "Warmth Comes From Coal, Not Talk Around It"]

[FBIS Translated Text] Three years.... Keeping in mind the steadily rising budget deficit and the shrinking fuel and electric power resources, three years of unforgotten negative attitude to the question of exploitation of the Oy-Karagay brown coal strip mine are puzzling, to say the least.

Of course, the point is not money. Although perhaps it is useful to remember that capital investment in the mine construction by now (and at today's prices) has already has consumed 168 million tenge. Since 1988, when the deposit development began, a 46-km Sary-Bastau—Oy-Karagay Highway, the industrial base, and a residential settlement have been built, and the needed equipment and vehicles have been purchased. At the same time, despite the millions already spent, it has been calculated that the cost of Oy-Karagay coal is five times lower than of that brought from Karaganda.

This is the price of radiation phobia.

Tens of commissions lately visited the Oy-Karagay strip mine. Specialists have developed a extensive set of measures, which, if implemented, provide complete radiation safety in using commercial coal as household fuel. Can it be that rumors and word of mouth outweigh the conclusion of numerous experts, including independent ones?!

The conclusion of all commissions is unequivocal—radiation and ecological safety in the coal deposit area are guaranteed. For your rayons, Oy-Karagay coal means:

- fuel supply to fully meet our needs;
- utilization of available labor resources in processing very rich local mineral raw materials: manufacturing brick, lime, gypsum, salt, etc. within ecologically safe projects;
- getting rid of very inefficient barter of agricultural products for outside coal;
- importing products from Kyrgyzstan and China in exchange for coal (cement, glass, consumer goods, etc.).

Dear residents! Putting the Oy-Karagay strip mine on line as soon as possible will also improve the economic situation of your region (over the past two years of forced idling the republic budget did not receive more than 1.5 billion tenge) and stabilize a guaranteed supply of coal to the population, kindergartens, medical facilities, municipal organizations and enterprises of not only Almaty and Taldykorgan Oblasts, but also of some regions of Kyrgyzstan's Karakol Oblast.

We count on your wise decision in lending effective moral support for speeding up putting Oy-Karagay strip mine on line.

[Signed] Olzhas Suleymenov, president of the Nevada-Semipalatinsk international antinuclear movement, Republic of Kazakhstan Supreme Council deputy;

Ivan Chasnikov, Republic of Kazakhstan Supreme Council deputy, academician of mathematical sciences, chairman of the subcommittee of radiation ecology;

Aleksandr Amanbayev, first deputy minister of ecology and biological resources;

Yertysbay Aliyev, first deputy minister of power generation and coal industry;

Gennadiy Korenchuk, general director of joint venture Medeo;

Abdurasul Zharmenov, doctor of technical sciences, professor;

Aleksandr Kosmukhambetov, deputy director of Kazmekhanobr production association;

Sovet Sadykov, chairman of Parasat health center.

Army Educational Programs Explained

954K0219A Almaty SOVETY KAZAKHISTANA
in Russian 27 Oct 94 p 2

[Article by Major General Aytkali Isengulov, deputy minister of defense for educational and social-legal work and chief of a directorate: "Educational Work in the Modern Army"]

[FBIS Translated Text] Almaty—Articles whose authors attempt frequently without the corresponding analysis or knowledge of the true state of affairs in the army even to

show that the Armed Forces of Kazakhstan lack a scientifically substantiated system of education of the personnel have been appearing in certain publications as of late. The conclusion that it fails to reflect the specifics and salient features characteristic of the Kazakhstani Army and is, therefore, unsuccessful is actively bandied about. Today we call on the general of the Ministry of Defense directly responsible for this area of work to speak.

It should be remembered that the start of the creation of our army was based on formations and units of the former Armed Forces of the USSR stationed on the territory of Kazakhstan. In the course of their disintegration and also of the depoliticization campaign the mechanism of political influence on the personnel was destroyed and its morale and psychological state was damaged. Ideology was excluded from the spiritual sphere of the military organism. The troops thereby found themselves without a powerful industry of ideological influence on the consciousness and actions of the servicemen.

We started with the elaboration of a concept of educational activity. It amounted essentially to ensuring the unity of education and the day-to-day conduct of the servicemen and the dynamics of their service. The order and directive of the Ministry of Defense and its organizational and procedural instructions for the current academic year set forth the main requirements of educational work in the army and the essence and procedure of organization of its standard week.

The legal impetus to the stimulation of educational work was the edict of the president of the republic "On Creation of the Institution of Deputy Commanders (Chiefs) for Educational and Social-Legal Work in the Armed Forces of the Republic of Kazakhstan" of 19 January 1993. Regulations governing the organs of educational structures in the republic's armed forces were devised on the basis thereof and in accordance with the requirements of the order of the Ministry of Defense. This fundamental document determines the strategy of the activity of the educational structures and the fundamentally new assignments in the context of the formation of the armed forces with regard to the sociopolitical processes occurring in the republic.

With the introduction of the institution of deputies for educational and social-legal work in the army a new structure of educational authorities has come to be created everywhere. The forms and methods of educational activity that existed in the army have come to be restructured and upgraded on this basis.

Much will depend here on purposive and thoughtful work with the officer corps. We are doing everything possible in this connection to alleviate the strain in the officer milieu and to defend their social rights. Simultaneously we are paying great attention to the families of the officers and warrant officers since real difficulties of an economic nature build up and the morale and psychological mood and spiritual feelings of the officer and warrant officer are shaped there.

We are trying not to lose but to accumulate in every possible way positive experience in the military-patriotic and international education of the personnel. Subjects revealing the country's new policy course and the essence of the socioeconomic changes, the history of Kazakhstan, and the combat and labor traditions, morals, and customs of its peoples are being studied in the army for the second year now in the course of social and humanitarian training. In aggregate with agitation-mass and cultural-educational work it helps each serviceman derive a sense of pride from association with the rich and illustrious history of the state and its future. But we are experiencing difficulties in the fact that we lack a sufficient quantity of educational literature and visual aids on these issues. We are awaiting help from scholars, writers, and publishers of the republic here.

The armed forces are multinational. Proceeding from this, the key ideological task for us is to ensure that the army continue to be a school of internationalism. We are being rendered great assistance here by the local organs of state power, grassroots organizations, the news media, and cultural-educational institutions.

The certification of educator officers has been completed in the army. There are many enterprising, creatively minded specialists in the units and subunits today capable by their organizing activity, conscientious attitude toward their duty, and skillful work with people of stirring their enthusiasm and inspiring them to good work. They include officers V. Akulov, V. Polosukhin, G. Kostyukevich, S. Abdulov, V. Dosadin, S. Smolkin, A. Anipko, N. Kashtalyan, A. Daurenbekov, A. Ilin, Yu. Yaremenko, and many others.

The shortage of trained personnel is being eliminated. Aside from military-educational institutions of the Russian Federation, officers for the educational authorities have come to be trained at courses created in accordance with a decision of the president of the republic on the basis of the resources of an educational combined center of the Armed Forces of Kazakhstan. No fewer than 100 specialists have already been trained in just one year. Many former graduates are conscientiously organizing on a professional level and performing educational work with the personnel of the subunits and making a worthy contribution to the upgrading of their combat readiness.

Appreciable changes have taken place in the organization of the briefing of the personnel. The military-political situation in the world and the region, the foreign and domestic policies of Kazakhstan, the dynamics of socioeconomic processes in the areas where the troops are stationed, and the progress of the reforms in the armed forces are extensively explained to all categories of servicemen. The goal pursued here is that of molding in each serviceman a readiness to master the military profession and defend the fatherland and loyalty to his constitutional duty. A definite system of military-patriotic education and the preparation of young men for service in the army has begun to take shape.

The Ministry of Defense received with profound satisfaction the initiative of the North Kazakhstan Oblast Administration pertaining to the establishment of the districts' sponsorship ties to army units. It has now been supported in all oblasts of the republic. The "Patriot" venture that is being undertaken in the republic is contributing to the improvement of these ties also.

Such forms of work as correspondence with unit commanders, the publication in the local press of letters of gratitude to the parents of soldiers, monthly festivals of popular defense work, open-doors days, and meetings of pre-draft youth with the soldiers and veterans of the war and the armed forces are encountering a good public response in Almaty, Kokshetau, West Kazakhstan, Turgay, Aktyubinsk, and Pavlodar Oblasts. Demonstrations for the draftees of modern equipment and arms and demonstration performances by the drivers of combat vehicles, airborne forces, and athletes are popular.

The decision of the leadership of the republic television and radio corporation to terminate the "I Serve the Republic of Kazakhstan" programs, which have made a large contribution to the military-patriotic education of future soldiers, is incomprehensible in this connection.

Active use was made to increase the efficacy of the military-patriotic and international education of the working warriors of the republic of the measures devoted to the centenary of the birth of I. V. Panfilov and the 50th anniversary of the Battle of Stalingrad and the breaking of the blockade of Leningrad. Extensive preparatory work is under way in all formations and units at this time on preparations for the celebration of the 50th anniversary of the victory. A general martial contest for a worthy greeting of this portentous date under the motto "Multiply heroic traditions, upgrade operational expertise, decisively strengthen order and discipline" has been mounted in the army.

Restored rooms and museums of the combat glory of formations and units, industrial outfits, and educational institutions, where a special place is assigned propaganda of the combat and labor exploits of the working people of the sovereign republic, have become true centers of the military-patriotic education of the youth and soldiers in many oblasts.

The activity of the committees of soldiers' mothers, which have been formed in each oblast, is particularly effective. Such a form of connection between grassroots organizations and the army units as trips by delegations from the oblasts, cities, and districts to the places where soldier fellow countrymen are serving, with subsequent coverage in the news media, has been revived on their initiative. In the time that the armed forces of the republic have been in existence, members of the committees of soldiers' mothers have organized more than 35 such trips. They have visited practically all garrisons. The publication of their instructions to their fellow countrymen plays a pronounced part in the soldiers' successful service.

The committees of soldiers' mothers of North Kazakhstan, Zhezkazgan, Atyrau, Kustanay, and Taldykorgan Oblasts, where L. Galliulina, D. Akilbekova, K. Niyazbekova, V. Bikeyeva, and L. Vekshina are chairmen, are operating productively. We hope that the relationship that has been established will make it possible to continue to stimulate joint work on the eradication among the troops of instances of irregular relations and willful absence from the units and an improvement in the equipment and supplies and cultural leisure of the personnel. The work that has been performed has already produced positive results. In six months of this year the number of incidents and crimes in the army involving injury and mutilation has declined 21 percent, and deaths, 34 percent.

The organization of educational work at the home, at school, and in production outfits, where the young people are trained intensively in defense of their fatherland, and young men, for service in the armed forces, is becoming an object of attention. In conjunction with a number of other departments of the republic the Ministry of Defense is adopting measures to restore the military-patriotic club-houses, sports sections, technical groups, schools of military-technical knowledge, and universities of the future warrior. Pre-draft training and the instruction of young men in warfare in schools and secondary and higher educational institutions are being revived. The Zarnitsa and Orlenok paramilitary games and defense-sports fitness camps are being organized once again. All oblast administrations of the republic have spoken firmly in support of the restoration of the devastated system of the young men's pre-draft military training.

Questions of the education of the personnel are reflected in the activity of such centers of culture as the Army Central House, the Officers House, the garrison officers' and soldiers' clubs, libraries, and amateur arts ensembles of the units. The Akhtal ballroom dancing ensemble led by N. Nikolenko, the Kaskad vocal and instrumental ensemble led by Yu. Streltsov, and the national folklore ensemble, where Lieutenant S. Akeleyev is the artistic leader, have been formed and are operating at the Army Central House alone. These troupes have performed at many garrisons and enjoy deserved prestige and affection not only among the servicemen and their families but also among the whole population of the republic.

Councils of Panfilov soldiers, Stalingraders, Leningraders, and participants in the Moscow Victory Parade, whose members perform active military-patriotic work among the working people and soldiers of the capital, have been formed at the Armed Forces Museum. Avn Maj Gen T. Begeldinov, twice hero of the Soviet Union, K. Shakenov, S. Abdzhaparov, and T. Aubakirov, heroes of the Soviet Union, and veterans of war, labor, and the armed forces participate actively in military-patriotic work.

A considerable amount of work in the sphere of education of the servicemen and their families is performed by the members of the Song and Dance Ensemble of the

armed forces of the republic. Since the time it was formed the military artistes have given more than 140 concerts, more than half of them in remote garrisons. The center of spiritual life for many servicemen is the Military-Science Library that has been created at the republic Armed Forces Main Headquarters.

Draft regulations governing officer meetings and a code of honor for the officer of the armed forces are being drafted in the Ministry of Defense at this time. It is no secret that the fortunes and martial achievements of the first officers and Kazakh generals are linked with service in the Russian Army. We sincerely welcomed the material on this subject published in the newspaper SOVETY KAZAKHSTANA entitled "The General of the Army Is a Genghisite." It will undoubtedly serve the cause of education of the youth in a spirit of love for the motherland and its history.

Also of interest are the specific proposals of the author of the article—that thought be given to the publication of a Kazakh military encyclopedia and a military history of the people and that sets of cards and portraits of outstanding Kazakh commanders, generals, and officers be published. Such work is already being performed in the Ministry of Defense. In turn, we appeal to military historians, scholars, writers, and journalists of the republic for them to take an active part in this important, all-state work.

The newspaper KAZAKHSTAN SARBAZY (Warrior of Kazakhstan) is at this time publishing a draft army-wide manual of the armed forces of the republic. This is, you will agree, a historic fact. Not only servicemen but also all citizens of the republic may take part in discussion of the fundamental documents. We await specific proposals and criticisms.

Addressing the news media, I would mention that we are all people of one state, one society. We need to strengthen the country's defense capability by common efforts. I am not calling for only odes to be written about the army. But material should be presented such that it have a positive impact not only on the man in shoulder boards but also those whose duty it is to help form the armed forces of the republic, enhance their prestige and authority, and strengthen the unity of army and people.

Official on Operational Investigations Law

954K0192A *Almaty PANORAMA in Russian No 41,*
22 Oct 94 p 5

[Interview with Nikolay Deykhin, deputy minister of internal affairs, by Aleksey Gostev; place and date not given: "Does Not Apply to Citizens"—headline as received]

[FBIS Translated Text] On 15 October of this year the Supreme Soviet published the Decree "On Putting the Law on Operational Investigations Activity into Effect." Deputy Minister of Internal Affairs Nikolay Deykhin comments.

[Gostev] What brought about the need to adopt the Law on Operational Investigations Activity (ORD).

[Deykhin] The provisions laid out in the law are objectives and tasks that faced the Internal Affairs organs earlier as well. But this was regulated before by departmental and normative acts that defined the work of the operational services for carrying out operational investigations measures. With such a state of affairs, when the norms of behavior of operational employees were not fixed legislatively, control over adherence to legality was of a departmental nature. Actually, control was not implemented on the part of other state organs or on the part of the Procuracy. A law was needed that would make it possible legislatively to strengthen the norms and provisions set forth in normative acts. I will say right off that it is within my competence to speak exclusively about the activity of the MVD [Ministry of Internal Affairs], and not about the prerogatives of the KNB [National Security Committee] and intelligence.

The operational situation in the republic is difficult, although some lowering in crime indices is observed. Structural changes in crime are occurring. While before the murders of two and more persons occurred rarely and were considered an extraordinary event, today such crimes occur one after the other. At times, criminals commit physical reprisals with respect to whole families. Crimes of a mercenary-violent motivation predominate in the criminal structure. New types of crime have appeared—contract murders. This kind of racket has spread widely. Criminals are operating in an insolent way. When the fight against the drug business is examined, this problem begins to take precedence, threatening to squeeze out the racket. Criminal groups receive good dividends from this type of criminal activity. As for crimes in the sphere of the economy, we are seeing a penetration of criminal elements into the sphere of business: After assuming a respectable appearance, they create commercial structures for money laundering.

There is almost no opportunity today to solve crimes using previous methods. Therefore the Law on Operational Investigations Activity contains innovations. Most of all the infiltration of staff and nonstaff employees into the criminal environment, monitoring deliveries, and the employment of models that simulate criminal activity.

The law was developed during the last two years, taking into account the criminogenic situation, and it is intended to put the ORD within the strict framework of the law.

[Gostev] Do you acknowledge that the law restricts the rights of citizens in some measure?

[Deykhin] Yes, this is mentioned in the law. For the most part we violate housing laws (penetration of apartments), and we eavesdrop on telephone conversations. But all these measures do not affect the interests of law-abiding citizens and are directed at protecting their rights. Therefore, to say that this act contradicts the

constitution is incorrect. Similar measures are conducted in any civilized state. Otherwise it is impossible to solve crime. Special operational investigation measures are conducted only in the event a person is suspected of committing a grave crime; moreover, it is carried out only with the approval of the procurator.

[Gostev] It seems that until the adoption of the ORD law there was a violation of Article 2 of the Constitution, which states that restriction of the rights and freedoms of citizens is permissible only in exceptional cases envisioned by the Constitution and other legal acts.

[Deykhin] It is impossible to include everything at once. At that time all operational investigative actions were regulated by the Criminal Procedures Code—Article 114 and 61 prime 2. Consequently, we were not violating the Constitution. At the present time, strict control has been established over ORD on the part of the Procuracy. If a person with respect to whom an ORD was implemented considers these actions illegal, he can file a court complaint.

[Gostev] Not long ago the minister of justice, speaking in parliament about conceptual proposals concerning judicial-legal reform, declared that it was planned in the future to establish a special investigative committee to whose jurisdiction the operational services would be transferred. In your opinion, what could this kind of innovation turn into?

[Deykhin] I have a different position: The investigative organs should be autonomous from the operational services. If Mr. Shaykenov thinks it is necessary to subordinate the operational organs to the investigative services (which is unlikely to ever happen), then the independence of the investigator will be in doubt.

[Gostev] Does an agreement exist with other countries of the Commonwealth on the question of joint activity of the operational services? There is data that a lot of criminals who committed crimes on the territory of Kazakhstan are hiding out in Chechnya, and it is impossible to ask for them.

[Deykhin] There really are many such persons on the territory of Chechnya. Today, we cannot bring them to Kazakhstan. As for agreements, they do exist. There is the Almaty agreement, which was signed by all the ministers of internal affairs of the Commonwealth, and the Ashgabat agreement. We help each other within the context of these agreements.

[Gostev] Do all the states eagerly make contacts on this question?

[Deykhin] It can be said that there are no principal disagreements.

[Gostev] It would be nice to get an explanation regarding Point 7 of Article 12 of the law "in cases that brook no delay, the conduct of operational-investigations measures is permitted with notification of the procurator and

the subsequent receipt of approval in the course of 24 hours." But if the possibility is allowed that the procurator does not give his approval?

[Deykhin] In this case the employees who conducted measures would be held accountable, since the measures were conducted illegally. I think that although such cases cannot be ruled out, the probability of their arising is minimal.

[Gostev] How realistic is the protection of secret agents involved in ORD?

[Deykhin] They are well protected. Both from the standpoint of conspiracy and from the standpoint of social protection.

[Gostev] In more detail?

[Deykhin] There is information that should not be publicized. Yes, there is a secret service that renders operational assistance.

[Gostev] Have there remained in the law individual norms and provisions with which you do not agree, and are there aspects that are not reflected in the law?

[Deykhin] In the stage of development, adoption, and consideration of the law, all differences were resolved collegially.

[Gostev] What has to be done in order for it to work in practice?

[Deykhin] There is a mechanism for implementation of this law. In order that our actions be effective, it is necessary to improve material-technical support of the internal affairs organs. The fact that the state treasury is empty is not news to us. We will get by with what we have.

But the law will work, I guarantee this.

Law on Amnesty

954K01464 Almaty KAZAKHISTANSKIY I PRUD I
in Russian 20 Oct 94 p 1

[Law of the Republic of Kazakhstan: "On Amnesty in Connection With International Year of the Family"]

[FBIS Translated Text] In connection with the International Year of the Family and guided by principles of humanism, the Supreme Council of the Republic of Kazakhstan decrees:

1. The following categories of minors shall be released from punishment in the form of incarceration or punishment not involving incarceration:
 - a) those not previously detained in educational-labor colonies, regardless of the length of their sentence;
 - b) those who fall under point "a" of the present article who have been sentenced to incarceration for periods of up to three years, inclusive.

2. The following categories of women shall be released from punishment in the form of incarceration or punishment not involving incarceration, regardless of the length of their sentences:

- a) those with children under 16 years of age, disabled children of groups I and II, and also pregnant women;
- b) widows of military servicemen who died in the performance of their military and international duty and those whose husbands are disabled war veterans or individuals on an equal footing with them.

3. The following shall be released from punishment in the form of incarceration or punishment not involving incarceration, regardless of the punitive measure assigned to them:

- a) participants and disabled veterans of the Great Patriotic War of 1941-1945 and also individuals on an equal footing with them;
- b) men over 60 years of age and women over 65;
- c) disabled persons of groups I and II;
- d) men with children under 16 years of age whose mother is deceased or has been deprived of parental rights.

4. Convicts who do not fall under Articles 1-3 of the present Law who have less than six months left of their sentence shall be released from places of incarceration.

5. Convicts who do not fall under Articles 1-3 of the present Law who have been transferred to colony-settlements for individuals who have entered firmly on the path of correction shall be released from punishment if on the day the present Law goes into force they have served half of their sentence.

6. Convicts shall be released from punishment in the form of exile or banishment if this has been applied as a basic or additional punishment.

7. Individuals sentenced to punitive measures not involving incarceration shall be released from punishment if this punishment has been applied in the form of a basic one and was not a substitute for incarceration.

8. The unserved part of the sentence shall be reduced by half for individuals who do not fall under Articles 1-3 of the present Law who have been convicted of crimes committed out of negligence.

9. The unserved part of the sentence shall be reduced by half for individuals convicted for the first time for up to three years of incarceration, inclusive, who are not subject to release based on Articles 1-3 of the present Law.

10. The unserved part of the sentence shall be reduced by half for convicts who have served one-third of their sentence in corrective labor institutions if they have been previously sentenced to incarceration no more than once and do not fall under Articles 1-3 of the present Law.
11. The unserved part of the sentence shall be reduced by half for minors from 14 to 16 years of age who do not fall under Article 1 of the present Law who have been convicted for crimes specified by Articles 132, 133, and 200 of the Criminal Code.
12. All investigations and cases not considered by the courts concerning crimes committed before the present Law goes into force for individuals listed in Articles 1-3 of the Law shall be terminated.
13. Articles 1-10 and 12 of the present Law shall not apply to individuals who have committed and have had criminal charges filed for:
 - a) crimes specified in Articles 50-75-1, parts 3 and 4 of Article 76, parts 2, 3, and 4 of Article 76-1, Articles 76-2, 76-5, 76-7, 88, 93, and 101, parts 3 and 4 of Article 132, parts 2, 3, and 4 of Article 133, Articles 134, 135, 146, 146-1, 147, and 173-1, part 2 of Article 183, part 2 of Article 200, Article 203, part 2 of Article 212-1, Articles 213, 213-1, 213-2; parts 2, 3, and 4 of Article 214, Articles 214-1 and 221, points "B" and "C" of Article 227, Article 229, points "B" and "C" of Article 231, Article 234, point "B" of Article 238, and point "C" of Article 244 of the Criminal Code of the Kazakh SSR;
 - b) those who have been deemed to be especially dangerous recidivists;
 - c) those previously convicted more than twice for premeditated crimes;
 - d) those previously released from punishment by way of pardon or amnesty who have again committed premeditated crimes;
 - e) those who have not gone through the full course of treatment for alcoholism, drug addiction, or venereal disease;
 - f) those who maliciously violate conditions during time of punishment.
14. The present law shall extend to individuals convicted by the courts of the Republic of Kazakhstan and military tribunals of the USSR for crimes committed on the territory of the republic.
15. The present Law shall go into force on the day of its publication and shall be executed for six months.

[Signed] President of the Republic of Kazakhstan N. Nazarbayev
Almaty, House of Parliament, 5 October 1994

Scholar on Regional Security Conference

954K0144A Almaty KAZAKHISTANSKAYA PRAVDA
in Russian 20 Oct 94 p 3

[Interview with Rustem Kadyrzhanov, doctor of philosophy and lead scientific associate of the Philosophy Institute of the Republic of Kazakhstan National Academy of Sciences, by Raisa Dobraya; place and date not given: "The Experts 'Discover' Central Asia"]

[FBIS Translated Text] The international conference "Regional Security in Central Asia," in which Kazakhstani scholars also participated, was held recently at the Moscow State Institute for International Relations (MGIMO). Our correspondent interviewed one of the latter, Rustem Kadyrzhanov, doctor of philosophy and lead scientific associate of the Philosophy Institute of the Republic of Kazakhstan National Academy of Sciences.

[Dobraya] It is curious that a conference on Central Asia was held in Moscow....

[Kadyrzhanov] I believe that from the viewpoint of scholarship it is not so much where a conference is held as how it is held that is important. In this sense the MGIMO has splendid conditions both organizationally and scientifically, of course. Well-known international affairs experts—A. Zagorskiy, M. Khrustalev, S. Solodovnik, and Dm. Trofimov—work in this institute. Aside from these, Moscow was represented by Professors L. Fridman from Moscow State University and V. Naumkin from the Russian Academy of Sciences Oriental Studies Institute, whose works are also well known to specialists. Add here scholars from Germany and Britain, and you get some idea of the high theoretical level of the conference. The speeches of the scholars from the Central Asia region were perfectly in keeping with this level also, in my opinion.

[Dobraya] And organizationally?

[Kadyrzhanov] Everything was geared to the time being spent productively and to fruitful work. The great experience of such activities on the part of the organizers of the conference—the MGIMO and the Federal East European Studies Institute of Cologne (FRG)—was reflected here, of course.

I would like to mention immediately, incidentally, that the working language was English. And a reason for my invitation was the fact that I know this language. We have, generally, many good specialists, whose work is entirely in keeping with the international standard. But ignorance of the language is for many of us a serious impediment in the establishment of contacts with foreign scholars.

[Dobraya] What does the second organizer represent?

[Kadyrzhanov] The Federal East European Studies Institute—one of the most important and authoritative not only in Germany but throughout West Europe—studies the East European countries, the former Soviet Union, and the new independent states that have formed in its place. It was, incidentally, the principal sponsor of the

conference, in which approximately 60 persons took part. Not that many, it might seem. But it is not a question in this case of the numbers but of who displayed an interest in the conference. In this sense the composition is significant. Aside from the scholars, there were many diplomats also (staff of the Russian Ministry of Foreign Affairs and embassies of Western countries in this country and representatives of the Security Council of the Russian Federation).

[Dobraya] This representative character obviously testifies to the great interest in our region displayed in Russia and in the West. How would you explain this?

[Kadyrzhanov] Many of the factors are quite well known. The geographical location of the region, the wealth of its natural resources, the nuclear problem. I would also like to call your attention to the fact that the disintegration of the USSR has engendered problems of vital significance for both regional and global security. How, for example, are relations between Kazakhstan and China, Tajikistan and Afghanistan, and Turkmenistan and Iran shaping up? If we take the relations of the states of Central Asia among themselves, the former, intra-Union contacts are now being transformed into international contacts. Which is influencing in a new way regional and global security. The set of issues ensuing from this was, in fact, the theme of the conference.

[Dobraya] Give us more detail about this, if you will.

[Kadyrzhanov] Certain opinions, which are quite prevalent among Moscow and Western specialists, on the economic, political, and social development of the region in the past and the immediate future showed through clearly at the conference.

The view of the states of the Central Asia region as typical third world countries was quite widespread.

The evolution of the political situation and, particularly, the expansion of the civil war in Tajikistan testify to sociopolitical tension. In Soviet times it was manifested in sporadic local protests. Now, however, it is emerging from the latent state, taking shape increasingly as a conflict of a military-political type.

The policy course adopted by the local ruling elites following the disintegration of the Soviet Union is largely reminiscent of Kemalism. Linked with the name of Kemal Ataturk, leader of the Turkish revolution, this model combines statism, that is, a policy course aimed at a strengthening of the state and a solution of society's problems with its help, secularism (secular ideology), and ethnocentrism. But statism under the conditions of the Central Asia region is leading to the conservation of the economic and political institutions of the past and for this reason is only intensifying the socioeconomic crisis.

Ethnocentrism as the national policy of states of the region is fraught with conflicts also. Much was said at the conference about the danger of Islamic fundamentalism.

The events in Tajikistan (and before this, in Afghanistan) show the possibility of a change of traditional opposition into fundamentalist opposition and of the conversion of moderate fundamentalists into extremists.

[Dobraya] Could this happen in Kazakhstan?

[Kadyrzhanov] This is unlikely with us.

[Dobraya] How was Russia's policy in respect to Central Asia evaluated?

[Kadyrzhanov] Many of the speakers, myself included, emphasized that it has yet to acquire precise outlines. This is connected, evidently, with the fact that both in Russia and in other countries of the CIS a process of the formulation and formation of national interests is under way. Two opposite approaches to the Central Asia region are noted in the political elite of Russia itself.

One could be termed neo-imperial. In accordance with this, Central Asia is seen as an unconditional zone of Russia's geopolitical interests. It is logical to expect that Moscow, adhering to this approach, would develop close ties to the states of the region, up to and including the creation of a confederation or a federation with them even.

The other approach may conditionally be identified as isolationist. From this viewpoint, of all the former Soviet republics, those of Central Asia, except Kazakhstan, are of the least interest to Russia.

[Dobraya] It would seem that the conference viewed the prospects of the development of our region very pessimistically.

[Kadyrzhanov] Let us not forget that it was devoted to problems of the security of the region and that particular attention was paid to the sources of conflicts and crises. The various forecasts and scenarios of the development of events in the region, the most inauspicious included, presented on the basis of such an analysis are of great interest, regardless of whether they are justified or not. Politicians should not ignore such efforts or view them as scholars' fantasies and inventions. History has demonstrated repeatedly that these "fantasies" have mysteriously become reality, and the politicians have found themselves unprepared for the most "fantastic" turn of events.

[Dobraya] Much attention was paid, I believe, to the question of the migration of the Russian-speaking population.

[Kadyrzhanov] Yes, it was. Views differed. One of them is as follows. In Soviet times the ruling elites were Soviet in form while remaining clan-ethnic in substance. Moscow was able to regulate the interethnic and inter-clan struggle. The disintegration of the Soviet Union engendered the problem of legitimacy for the ruling elites. Its new character brings with it either an intensification of the disintegration trends or dependence on such outside forces as Turkey (the pan-Turkic type of legitimacy) or Iran (the Islamic type).

The concept of the state nationalism or, more specifically, "unifying nationalism" of the titular nation could serve as an alternative to these types. This concept is implemented within the framework of traditional totalitarian systems. But nationalism would lead to the migration of the Slav population. And the exodus would become almost irreversible, which would cause economic crisis, the complete disappearance of science and education, and a deterioration in relations with Russia.

Such a development of events would lead to the conclusive defeat of state nationalism as a theory uniting all the titular ethnic groups and to the return of the already tested dispersed (scattered) type of clan legitimacy or to Islam as the unifying basis.

The analysis made at the conference was based on a wealth of systematics. But, unfortunately, our region is viewed as a monolith, and the differences are not seen. Although identical factors are manifested variously in the countries of Central Asia.

Report on Russian-Speaking People Scored

954K0194A Almaty PANORAMA in Russian No 41,
22 Oct 94 p 10

[Article by Vitaliy Voronov, chairman of the Legal Development of Kazakhstan Voluntary Public Association: "The Status of the Russian-Speaking Population in Kazakhstan Was Incorrectly Interpreted at the Moscow Conference"]

[FBIS Translated Text] On 10-12 October, at the invitation of the parliamentary Federal Assembly of Russia, I took part, as a representative of the Legal Development of Kazakhstan Voluntary Public Association, in a scientific-practical conference On the Status of Countrymen Abroad that was held in Moscow.

The conference itself took place at a rather high organizational level, with the participation of a number of influential and well-known representatives of the parliament of Russia, and also delegates from practically all of the former Union republics. But, unfortunately, representatives of our public association felt like strangers, and here is why.

I will talk only about Kazakhstan; that is, about the level of presenting information regarding Kazakhstan's specific character and the level of its discussion. Heavy folders that contained normative acts of the president and the Government of Russia about countrymen, the notes of various departments, and the conclusions of experts concerning Russian-speaking people outside Russia were distributed to all delegates. It is necessary to dwell in detail on some of them and, even better, to quote contents verbatim.

The first document is a letter of the director of the Federal Migration Service of Russia of 5 October 1994. Several lines in it are devoted to Kazakhstan.

"Kazakhstan. The intensity of the outflow of Russians from Kazakhstan in the last two to three years is increasing noticeably; it totals 25,000-30,000 persons per month. In

1992-1993, the outflow was from the south of Kazakhstan, and now—from the northern oblasts. The main reason for the forced departure is the ethnic-language intolerance that is expressed in the harsh policy of the government with respect to converting the vital functions of the Republic to the Kazakh language and the purge of personnel on national and language grounds in state, ideological, and cultural spheres" (excerpted by the author).

And one more document (without a date and signature, called the finding of experts, and carrying the title "On the Status of Russian-Speaking People in CIS Member States"):

"In Kazakhstan (population of 16.464 million, of which 6.227 million are Russian-speaking people), the situation has become more complicated of late with respect to the observance of the rights of the Russian-speaking people. The adoption by the Kazakhstan parliament of the Laws on the State Independence of the Republic of Kazakhstan, on Republic of Kazakhstan Citizenship, and on Immigration create more favorable conditions for the development of the indigenous nation at the expense of discrimination against the Russian-speaking population and other national minorities. To a great degree, this is promoted by the frank aim of the authorities of Kazakhstan on the 'priority development of the Kazakh nation.' In accordance with the new constitution adopted at the ninth session of the Supreme Council of Kazakhstan (28 January 1992), Kazakhstan was proclaimed 'a form of statehood of a self-determining Kazakh nation.' In 1989 the Supreme Council of Kazakhstan adopted the Law on Languages in which the Kazakh language is confirmed as the official language, and Russian is assigned the role of a language of international communication. This kind of status is also recorded in the new constitution. There is an active introduction of the Kazakh language in the state structures (a program has been adopted for translating all documentation into it); there is a gradual squeezing out of representatives of non-Kazakh nationality from managerial posts, and settlements that were founded by Russians are being given Kazakh names.

Discriminatory tendencies with respect to the Russian-speaking people of Kazakhstan appeared in the course of elections to parliament in March of this year. 566 candidates of indigenous nationality and 128 representatives of Russian-speaking residents of Kazakhstan, which, naturally, does not reflect the demographic composition of the country."

We will try to conduct an analysis of the data contained in the aforementioned documents, since they themselves do not have any analytical content. The fact of the intensified outflow of people from Kazakhstan is no longer denied even by the authoritative structures of the Republic, and, what is more, this problem of late is being given an official character (owing to the removal of the taboo on this subject by a speech of the president in parliament). The Russian-speaking people, of course, are troubled by both the language and personnel policy, and the "discrimination against the Russian language" that was acknowledged

by the president. (I am also oppressed by the fact that I suddenly have to pronounce Shymkent in Russian, despite what I learned by rote in my childhood "follow the letters zh and sh with an i.")

Also disturbing is the political correctness of the method for forming authoritative structures, when all of the four main posts in the state with such a polyethnic staff are suddenly occupied by representatives of one nationality. Also unsettling is the fact that Kazakhstan is proclaimed in the constitution to be a state of one nation, although it would be more democratic and politically justified to proclaim it a state of all of the citizens who live on the same territory.

But I would not leave Kazakhstan for these reasons. Because they are not the main ones. A majority of the people are leaving for Russia; it is my deep conviction, because it is better to live there (and easier): a higher wage for the same work, lower prices for commodities and food products, of which there are also much more. There is also more political and economic freedom. He who has visited villages, where most of the Kazakh people live, would not begin to talk about "the policy of the government for the priority development of the titled nation," because it was this government that placed the representatives of the indigenous nation on the edge of survival, not paying honestly earned wages for a half year.

And Ponomarev, a deputy in the last parliament, was right when he said once that his constituents are faced with the problem of survival and not the language problem: "Life puts one in the kind of a situation when, let everyone be deaf and dumb, if only the grain will grow and the cattle will multiply..." To say that the root of language discrimination is in the adoption by parliament of undemocratic laws is at the very least naive. It is practically impossible to humiliate anyone now with a law. **All of our troubles are the result of violations, nonfulfillment, and disregard of existing laws, and, most of all, by the state authority itself.** If the requirement of Clause 8 of the Principles of the Constitutional Structure that "the state guarantees the preservation of the sphere of employment of language of international communications" was fulfilled everywhere, then there would be no kind of indiscriminate changing of names, reductions in the teaching of the Russian language, and no kinds of claims for the forced translation of office correspondence into the Kazakh language, etc.

And no other kinds of laws about a second official language and about dual citizenship would be required. But the authorities now in office did not guarantee and are not guaranteeing this, despite the fact that there is "a guarantor of the observance of the rights and freedoms of citizens, of the constitution, and of the laws of the Republic of Kazakhstan." The composition of parliament really does not reflect the demographic composition of the country. But did this occur only because of the undemocratic nature of the Code on Elections and the "shooting down" of Russian-speaking candidates. After all, quite a few candidate-democrats of Kazakh nationality were also

"shot down." How did it happen that, contrary to all forecasts about a "Russian" parliament, given almost a 70 percent Russian-speaking population of voting age, parliament consists of Kazakhs for the most part? Very many voters, especially of pension age (and they were the main ones who took part in the elections), said to me: Despite the fact that I am Russian, I will vote for a Kazakh, because he will not leave from here, and he will be forced to do something on this land in order to live better. And the basic "discriminating" tendency consisted exactly of this. Together, of course, with the disregard for the elections by the unconvinced part of the Russian-speaking population.

Now about the speeches of the conference members that were composed in the spirit of the aforementioned documents. Their main content was also the citation of cases of violations of the rights of countrymen everywhere (including also by Russian authorities for whom the countrymen are a burden). There was talk about the need to restore the country (the USSR) and to confirm Russian citizenship for all Russians ("we are not asking the Government of Russia to give Russian citizenship, we demand that they confirm it"); about the constitutionalization of the Russian nation; about the fact that Russia should be ready for any turn of events on the question of the observance of the rights of countrymen and the employment of any arsenal of means with respect to countries that infringe on these rights, etc. The speeches of representatives of the parliament of Russia were restrained and correct. There was talk about the need to intensify integration processes, to harmonize legislation, especially on taxes, trade, and customs, and, on the whole, about civil legislation and on noninterference in the internal affairs of other states... The leader of the Kazakhstan Slavic Concord Movement also announced the orientation of his movement to the point of changing the situation in such a way that "people would not leave Kazakhstan for anywhere." Unfortunately, the speech of the president of the National Association of Russian Culture from Uzbekistan was "hooted"—it was probably the only one that contained, in the opinion of the delegation of the Voluntary Association, proposals that coincided with our thinking: Mr. Yemelyanov expressed absolutely harmless ideas about the fact that it was the sovereign republics themselves, and not Russia, that bear the responsibility for the position of "their own Russians"; and that the aim of their organization is "to achieve the implementation of the constitution and laws of Uzbekistan or their constitutional changes." However, he was hooted after the phrase that it is impossible not to consider the legislation of those states that forbid dual citizenship. But what is incorrect here? We—citizens of Kazakhstan, with all of its "unfinished condition" as a state, with all of its (that is, our) difficulties—both present and future—are called on and want to ensure the development of the Republic along a legal path, and to develop within the context of laws that reflect the interests of a majority of the people of the Republic. But legal development is possible in both a framework of a Kazakhstan that is sovereign, but economically integrated with Russia, as well as within a framework of a state unified with it.

AZERBAIJAN**Single Price Control Authority Needed***954K0246A Baku ZERKALO in Russian 29 Oct 94 p 1*

[Unattributed report: "A Single Body Needs To be Set Up To Regulate Prices"]

[FBIS Translated Text] "The lack of the legislative base for price formation in Azerbaijan predetermines the lawlessness in the price policy," told to KHABAR-SERVIS agency correspondent Firgat Ganiyev, deputy chief of the Azerbaijani Ministry of Economics' Price Administration.

He said that republic ministries and agencies to this day use as a guidance the 1990 instructions of the former USSR, which naturally may be interpreted in different ways in the current conditions. Besides, there is no single body in Azerbaijan to set and monitor all prices. The methodology (formation) of prices is the responsibility of the Ministry of Economics' Price Administration, but tariffs are set by one department, and a different one oversees the oil industry. The oversight functions in price formation since 1992 had been the responsibility of the State Tax Inspectorate; the State Committee on Antitrust Policy sets prices for monopolist enterprises; and the corresponding administration of the republic State Committee on Statistics registers prices and collects the statistics. F. Ganiyev noted that export-import prices are set by the MFER [Ministry of Foreign Economic Relations] and the Azerbaijan Customs Committee. In addition to the aforementioned agencies, the Ministry of Finance also has influence on prices. Such disconnectedness has gotten the state to a point where in actuality nobody regulates the prices.

Cotton Harvest Temporarily Halted*954K0246C Baku ZERKALO in Russian 29 Oct 94 p 2*

[Unattributed report: "Cotton Harvesting Temporarily Halted"]

[FBIS Translated Text] In connection with the change in weather conditions, cotton harvesting in Azerbaijan is temporarily halted. In telling this to ANS-PRESS, Sadykh Salakhov, chief of the cotton processing administration of the national Ministry of Agriculture, noted that about 40,000-50,000 tonnes of the "white gold" currently remain unharvested in the fields and that it is estimated that as of 25 September the state plan has been fulfilled only by 62 percent.

Consortium Oil Export Tariff Clarified*954K0246D Baku ZERKALO in Russian 29 Oct 94 p 2*

[Unattributed report: "The Oil Contract and the Azerbaijan Customs Law"]

[FBIS Translated Text] The oil contract envisages that consortium members will not be paying custom duties when exporting crude from Azerbaijan. Rafael Rzayev, first deputy chairman of the State Customs Committee, who told this to KHABAR-SERVIS agency correspondent, emphasized that the customs law in all countries in the world treats similarly this point in agreements that envisage development of mineral deposits by foreign companies. The rest of the customs regulations remain applicable to the consortium in keeping with the republic legislation. In particular, foreign oil companies must pay 0.25 percent of the total value of exported product when formalizing the customs paperwork. As to customs duties on import of such companies' property or equipment to the republic, in this instance they fall under the Azerbaijan law on protection of foreign investment, whose Article 26 says: "The property brought into Azerbaijan as a foreign investor's contribution into the charter capital of a joint enterprise is exempt from customs duties and is not subject to import tax." R. Rzayev pointed out that foreign companies mainly bring oil-production equipment into Azerbaijan. "But, if in addition to its main activity, a company also engages in commerce in the republic, it immediately becomes subject to our customs law," emphasized the first deputy chairman of the State Customs Committee.

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